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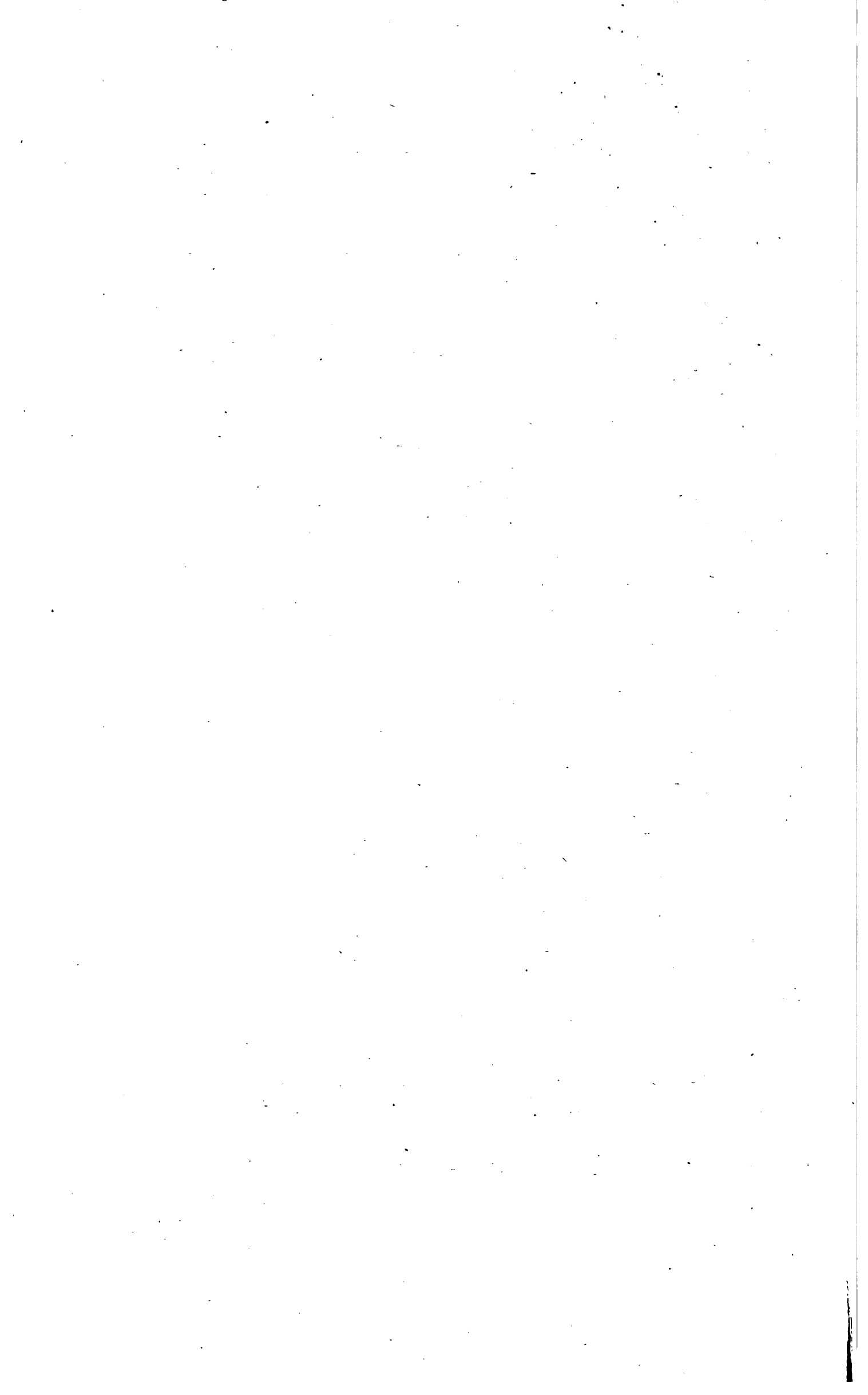
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R E P O R T S
FROM
C O M M I T T E E S:
FOUR VOLUMES.

— (1.) —

ACCOUNTS, PUBLIC; BETTING; BURGH SEWERAGE,
DRAINAGE, AND WATER SUPPLY (SCOTLAND) BILL;
CHARITABLE AGENCIES FOR RELIEF OF WIDOWS
AND ORPHANS OF SOLDIERS AND SAILORS;
CIVIL LIST; COMMONS; CREMATION BILL.

Session

23 January 1901 — 17 August 1901.

V O L. V.

1901.

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1901.

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FIRST
REPORT
FROM THE
COMMITTEE
OF
PUBLIC ACCOUNTS.

*Ordered, by The House of Commons, to be Printed,
6 March 1901.*

LONDON:
PRINTED FOR HIS MAJESTY'S STATIONERY OFFICE,
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1901.

COMMITTEE OF PUBLIC ACCOUNTS.

Ordered,—[*Tuesday, 26th February 1901*]:—THAT the Committee of Public Accounts do consist of Fifteen Members.

Committee nominated of—

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Cameron Corbett.
Sir Thomas Esmonde.

Mr. Goddard.
Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray.
Mr. Pym.

THAT the Committee have power to send for Persons, Papers, and Records.

S E C O N D R E P O R T

THE COMMITTEE OF PUBLIC ACCOUNTS have considered the Matters to them referred, and have agreed to the following SECOND REPORT :—

NAVY APPROPRIATION ACCOUNT, 1899-1900.

VOTE 8—III., CONTRACT WORK.

1. THE principal feature of this Account, in the opinion of the Comptroller and Auditor General, is the very large under-expenditure upon Vote 8—III., Contract Work, amounting to 1,489,720*l.* 16*s.* 8*d.*, or about 23 per cent. of the Estimate. Similar under-expenditure occurred also in the two preceding years. In the present year it is attributable, as admitted by the Admiralty, to the postponement by the Department of the placing of orders, and to the delay of contractors in carrying out Admiralty work owing to the difficulty of obtaining men and materials. Q. 39 sqq.

2. Similar delays to these in the delivery of ships have also taken place in the delivery of torpedo-boat destroyers, and of 12-inch and 6-inch guns. Q. 261 sqq.

This subject was noticed in the Second Report of the Committee of Public Accounts of last year (paragraph 2), and it was then stated that no penalty had been actually enforced, but that the whole question of penalties, both for ships and guns, was under the consideration of the Board of Admiralty.

It now appears that while penalties for late delivery of torpedo-boat destroyers have been waived in all cases where a decision has been arrived at, the Admiralty have enforced penalties on account of falling off in speed in the cases of five torpedo-boat destroyers, and have exacted penalties amounting only to 350*l.* for late delivery of ships.

3. The whole question of the output of shipbuilding yards and the question of contracts and the enforcement of penalties have been referred to a Committee appointed by the First Lord of the Admiralty, and consisting of Mr. Arnold Forster (President), Admiral Wilson, Sir Thomas Sutherland, and Sir Francis Evans. The Committee of Public Accounts attach great importance to this question in view of securing greater punctuality in delivery, and they also desire to suggest that the question of giving a premium for success might be considered, as well as the enforcement of penalty for failure. Q. 41.

4. Your Committee desire to take note of the fact that certain advances have been made to contractors, without interest, in cases where heavy expenses have been incurred with a view of earning one or more covenanted instalments, but the contractors have been prevented by unavoidable causes, and through no fault of their own, from claiming the payment of such instalments. Q. 303 sqq.

Your Committee are of opinion that such advances should only be made in special cases, fulfilling the conditions laid down in the 6th paragraph of the Fourth Report of the Committee of 1890, and should invariably be reported to the Treasury.

5. Your Committee have also had under consideration two cases of advances to contractors of an exceptional character, one of which was made on the security of the personal bond of the managing director of a shipbuilding company, and the other without such security. In both cases interest at bank rate was charged.

It has been explained in evidence that although the contractors had not fulfilled the conditions entitling them to the payment of any specific instalments, they had done work to a value considerably exceeding the sums advanced.

In another case, in consequence of the failure of the contractors, special advances were made to the receivers and managers of the company in liquidation to enable them to complete the work the contractors had in hand at the time of their failure.

Your Committee consider that circumstanced as the Admiralty was at the moment when these advances were made, the Admiralty was justified in the course which it pursued, but they desire to express their opinion that in the future much stricter inquiry should be made into the financial status of firms before entering into any large contracts with them.

VOTE 10.

PORTSMOUTH.—REBUILDING OF NELSON MONUMENT ON PORTSDOWN HILL.

Q. 384 sqq. 6. This Monument was taken over by the Admiralty from the War Office, and was rebuilt by Messrs. Light and Son, whose bill amounted to 1,091*l*. The contractors subsequently proved by a reference to their books that the work actually cost them 1,411*l*., and that their loss amounted to 320*l*. 7*s*. 3*d*. The Admiralty applied to the Treasury for leave to pay this excess out of savings upon Vote 10; and the Treasury acceded to the application, on the ground that the work was very exceptional in its character, and that it was impossible to make an accurate estimate of the expense before the work was commenced. Your Committee are of opinion that such deviations from the terms of a contract in favour of the contractors should only be allowed by the Treasury when the circumstances are very exceptional, and that this case must in no way be taken as a precedent.

Q. 447 sqq. 7. Your Committee learn with satisfaction that in consequence of their suggestion in last year's Report a conference has taken place between representatives of the Treasury, the Admiralty, and the Comptroller and Auditor General, and a scheme of adjustment between the money transactions under Sub-Head S., Vote 10, and the outcome of the Stock Account has been recommended, which if adopted will, as the Comptroller and Auditor General hopes, bring about practical agreement in the future.

STORE ACCOUNTS OF THE NAVY.

DOCKYARD STORES.

Q. 487 sqq. 8. Two similar cases to those mentioned in last year's Report, of excessive issues of copper sheeting for Ships Building, occurred at Pembroke Dockyard, in the cases of the "Spartiate" from which 3,660 sheets, valued at 960*l*., were returned into Store unused, and of the Royal Yacht from which 2,718 sheets, valued at 740*l*., were returned. But it appears that these were old transactions, previous to the notice in last year's Report, and the Admiralty have taken steps to prevent a recurrence of such over-issues.

Q. 526. 9. In the matter of coaling and the losses of coal and gear, the Admiralty have issued a valuable circular to Commanders-in-Chief at Home and Abroad, directing a report to be sent after coaling from every ship, when there has been a considerable loss of gear, or a deficiency in the coal compared with that consigned, detailing the particulars, and where the losses exceed what might be reasonably expected, special investigation is to be made without waiting for the presentation of the Accounts.

VICTUALLING YARD STORES.

10. The Reserve of these Stores shows a net increase of 88,017*l*.

NAVAL ORDNANCE STORES.

11. The Reserve of these Stores shows a net increase of 544,212*l*.; and an increase in five years from 8,099,881*l*. to 11,104,347*l*.

WORKS DEPARTMENT STORES.

12. These Accounts call for no special notice.

TRANSPORT STORE ACCOUNTS.

13. It appears that 930 blankets, of Troop Service pattern, were sent in from Q. 552 sqq. Bermuda to Deptford in bales as serviceable, but on being opened up were condemned "as moth-eaten and practically rags." The Director of Transports pleads the adverse climate of Bermuda, but as special instructions have been issued by the Admiralty to guard against the effect of this upon woollen goods, a Special Report was asked for, by the Comptroller and Auditor General, as to whether these instructions were carried out.

DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS, 1899-1900.

14. The difference between the Original and Revised Estimate amounts to Q. 572 sqq. 1,184,164/.

The Original Estimate was 11,715,593/.

The Revised Estimate was 10,531,429/.

This falling off was entirely upon contract work, and was caused partly by the late placing of orders and partly, as is alleged, by the busy state of the shipbuilding trade.

But the whole of this question of delays in the execution of contracts is now being inquired into by a Committee appointed by the Admiralty, and presided over by the Secretary of the Admiralty, and your Committee do not at present desire to express any opinion upon the subject.

15. With regard to great variation under incidental charges at different Q. 606 sqq. Dockyards, varying from 10·4 per cent. at Chatham to 18·7 at Sheerness, the Admiralty have undertaken to look into the matter immediately after the passing of the Estimates this year.

16. The Committee wish to draw attention to the expenditure on the new Q. 631-644. Royal Yacht, which up to end of the financial year had exceeded the Estimate of 216,648/ for Direct Charges by the sum of 37,222/. As this excess is said to be mainly due to inexperience in building ships of this kind, the Committee are of opinion that work of this character should not in future be undertaken in His Majesty's Dockyards.

17. Your Committee also desire to call attention to the case of the repairs and Q. 650-691. refit of the "Dreadnought."

(a) This was an old ship in 1895, when 10,636/ was spent on repairs.

(b) In 1895-96 it was decided to repair and refit her; and in that and the following year considerable sums were spent in making new boilers with a view to the refit. During 1897-98, 1898-99, and 1899-1900 she was under repair and refit.

(c) There has thus been spent on her, including incidental charges, 88,885/, apart from 10,636/ spent in 1894-95, or in all 99,521/.

(d) Estimates were presented and voted for the works expected to be done in each financial year. But the aggregate of the estimates for the three years, 1897-98, 1898-99, and 1899-1900, was 53,359/ against an aggregate expenditure of 75,399/.

The deficiency of 22,040/ was met out of surpluses on other Votes.

(e) No estimate of the total cost of the proposed refit and repairs was at any time submitted to the Admiralty or presented to Parliament; and the column provided for such estimate was left blank with the note "details not complete."

(f) Your Committee are glad to find that the case is regarded as "exceptional, and is not likely to be repeated, and certainly will not be repeated if it can be avoided."

(g) Your Committee are of opinion that in all cases, before determining upon the policy of the refit and repair of an old ship, a very careful estimate (all the more careful because necessarily only approximate) of the probable total cost should be made and considered by the Admiralty, and should be presented to Parliament at the earliest opportunity.

Nor can your Committee find that any adequate reason for the omission to take this course in this case appears.

NAVAL WORKS ACT, 1895, 1896, 1897, 1898 ACCOUNTS.

18. Nothing calling for special notice arises on these Accounts.

GREENWICH HOSPITAL AND TRAVERS' FOUNDATION.

42. 760.

19. The cost of administration of the Hospital, amounting to 3,861*l.*, is given in the Account for the first time, in accordance with the desire of the Public Accounts Committee expressed in last year's Report.

42. 784-790.

20. (a) Your Committee find that part of the yearly receipts of the Hospital arises out of royalties from collieries and limeworks; and that the gross amount of such royalties is habitually treated as income.

(b) It appears that the custom is not to spend the whole income of the Hospital; and that a surplus, which is in excess of the receipts from royalties, is yearly invested; and is thus said to be added to the capital.

(c) But this does not seem to meet the difficulty, which arises from the fact that the coal and lime are being exhausted, and the income will some day end with its source.

(d) It follows that, in so far as the income represents the wastage of capital, it is not in the true sense surplus income but represents existing capital, and thus its investment does not really, as under the present system it appears to do, add to the capital of the Hospital.

(e) Your Committee are of the opinion that the course pursued in some analogous cases by certain other Government Departments should be followed; and that a due proportion of the yearly receipts, past and future, from these wasting assets, should be set aside to meet their depreciation.

VICTUALLING YARDS MANUFACTURING ACCOUNTS.

21. No questions arose upon these Accounts.

22. Your Committee desire to express their warm appreciation of the ability and industry displayed by the Comptroller and Auditor General and his staff in the preparation of Vol. III. of the Handbook to the Reports from the Committees of Public Accounts, dating 1893-1900, together with the Index, comprehending the three volumes, containing Reports from 1857-1900.

SECOND

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS.

*Ordered, by The House of Commons, to be Printed,
15 May 1901.*

[Price 1d.]

175.

Under 10s

THIRD

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS.

*Ordered, by The House of Commons, to be Printed,
10 July 1901.*

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R. PONSONBY, 116, GRAFTON STREET, DUBLIN.

1901.

COMMITTEE OF PUBLIC ACCOUNTS.

Ordered,—[*Tuesday, 26th February 1901*]:—THAT the Committee of Public Accounts do consist of Fifteen Members.

Committee *nominated* of—

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Cameron Corbett.
Sir Thomas Esmonde.

Mr. Goddard.
Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray.
Mr. Pym.

Ordered,—That the Committee have power to send for Persons, Papers, and Records.—(*Sir William Walrond*.)

Ordered,—[*Thursday, 6th June 1901*]:—That a Message be sent to the Lords to request that their Lordships will be pleased to give leave to the Viscount Esher to attend to be examined as a Witness before the Committee of Public Accounts.

[*Tuesday, 11th June 1901*]:—Message from the Lords,—That they give leave to the Viscount Esher to attend in order to his being examined as a Witness before the Select Committee appointed by this House on Public Accounts, his Lordship consenting.

Ordered,—[*Thursday, 13th June 1901*]:—That a Message be sent to the Lords to request that their Lordships will be pleased to give leave to the Clerk of the Parliaments to attend to be examined as a Witness before the Committee of Public Accounts.

[*Friday, 14th June, 1901*]:—Message from the Lords,—That they give leave to the Clerk of the Parliaments to attend in order to his being examined as a Witness before the Select Committee appointed by this House on Public Accounts.

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FIRST REPORT.

THE COMMITTEE OF PUBLIC ACCOUNTS have made Progress in the Matters referred to them, and have agreed to the following FIRST REPORT :—

1. Your Committee have to report that during the financial year 1899–1900 Expenditure in Excess of the amount granted by Parliament has been incurred under the following Votes :—

	£.	s.	d.
Class I., Vote 11.—Peterhead Harbour - - -	2	2	-
Class I., Vote 12.—Rates on Government Property -	30	9	6
Class VI., Vote 4.—Hospitals and Charities, Ireland -	4	9	2
Revenue Departments, Vote 3.—Post Office - - -	3,650	7	3

2. These excesses will be met almost entirely by Appropriations in Aid, and Parliament will only be required to Vote the sums of—

£.	s.	d.		
2	2	-	for Class I., Vote 11	} Civil Services.
10	-	-	for Class I., Vote 12	
2	-	-	for Class VI., Vote 4	
10	-	-	for Revenue Departments, Vote 3.	
<hr/>				
£.	24	2	-	

For these sums the sanction of Parliament will be required.

3. Your Committee see no objection to these sums being provided for by Excess Votes.

SECOND REPORT.

THE COMMITTEE OF PUBLIC ACCOUNTS have considered the Matters to them referred, and have agreed to the following SECOND REPORT :—

NAVY APPROPRIATION ACCOUNT, 1899-1900.

VOTE 8—III., CONTRACT WORK.

Q. 39 sqq.

1. THE principal feature of this Account, in the opinion of the Comptroller and Auditor General, is the very large under-expenditure upon Vote 8—III., Contract Work, amounting to 1,489,720*l.* 16*s.* 8*d.*, or about 23 per cent. of the Estimate. Similar under-expenditure occurred also in the two preceding years. In the present year it is attributable, as admitted by the Admiralty, to the postponement by the Department of the placing of orders, and to the delay of contractors in carrying out Admiralty work owing to the difficulty of obtaining men and materials.

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2. Similar delays to these in the delivery of ships have also taken place in the delivery of torpedo-boat destroyers, and of 12-inch and 6-inch guns.

This subject was noticed in the Second Report of the Committee of Public Accounts of last year (paragraph 2), and it was then stated that no penalty had been actually enforced, but that the whole question of penalties, both for ships and guns, was under the consideration of the Board of Admiralty.

It now appears that while penalties for late delivery of torpedo-boat destroyers have been waived in all cases where a decision has been arrived at, the Admiralty have enforced penalties on account of falling off in speed in the cases of five torpedo-boat destroyers, and have exacted penalties amounting only to 350*l.* for late delivery of ships.

Q. 41.

3. The whole question of the output of shipbuilding yards and the question of contracts and the enforcement of penalties have been referred to a Committee appointed by the First Lord of the Admiralty, and consisting of Mr. Arnold Forster (President), Admiral Wilson, Sir Thomas Sutherland, and Sir Francis Evans. The Committee of Public Accounts attach great importance to this question in view of securing greater punctuality in delivery, and they also desire to suggest that the question of giving a premium for success might be considered, as well as the enforcement of penalty for failure.

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Your Committee are of opinion that such advances should only be made in special cases, fulfilling the conditions laid down in the 6th paragraph of the Fourth Report of the Committee of 1890, and should invariably be reported to the Treasury.

5. Your Committee have also had under consideration two cases of advances to contractors of an exceptional character, one of which was made on the security of the personal bond of the managing director of a shipbuilding company, and the other without such security. In both cases interest at bank rate was charged.

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VOTE 10.

PORTSMOUTH.—REBUILDING OF NELSON MONUMENT ON PORTSDOWN HILL.

6. This Monument was taken over by the Admiralty from the War Office, and was rebuilt by Messrs. Light and Son, whose bill amounted to 1,091*l.* The contractors subsequently proved by a reference to their books that the work actually cost them 1,411*l.*, and that their loss amounted to 320*l.* 7*s.* 3*d.* The Admiralty applied to the Treasury for leave to pay this excess out of savings upon Vote 10; and the Treasury acceded to the application, on the ground that the work was very exceptional in its character, and that it was impossible to make an accurate estimate of the expense before the work was commenced. Your Committee are of opinion that such deviations from the terms of a contract in favour of the contractors should only be allowed by the Treasury when the circumstances are very exceptional, and that this case must in no way be taken as a precedent. Q. 384 sqq.

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STORE ACCOUNTS OF THE NAVY.

DOCKYARD STORES.

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10. The Reserve of these Stores shows a net increase of 88,017*l*.

NAVAL ORDNANCE STORES.

11. The Reserve of these Stores shows a net increase of 544,212*l*. ; and an increase in five years from 8,099,881*l*. to 11,104,347*l*.

WORKS DEPARTMENT STORES.

12. These Accounts call for no special notice.

TRANSPORT STORE ACCOUNTS.

Q. 552 *sqq.*

13. It appears that 930 blankets, of Troop Service pattern, were sent in from Bermuda to Deptford in bales as serviceable, but on being opened up were condemned "as moth-eaten and practically rags." The Director of Transports pleads the adverse climate of Bermuda, but as special instructions have been issued by the Admiralty to guard against the effect of this upon woollen goods, a Special Report was asked for, by the Comptroller and Auditor General, as to whether these instructions were carried out.

DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS,
1899-1900.

Q. 572 *sqq.*

14. The difference between the Original and Revised Estimate amounts to 1,184,164*l*.

The Original Estimate was 11,715,593*l*.

The Revised Estimate was 10,531,429*l*.

This falling off was entirely upon contract work, and was caused partly by the late placing of orders and partly, as is alleged, by the busy state of the shipbuilding trade.

But the whole of this question of delays in the execution of contracts is now being inquired into by a Committee appointed by the Admiralty, and presided over by the Secretary of the Admiralty, and your Committee do not at present desire to express any opinion upon the subject.

Q. 606 *sqq.*

15. With regard to great variation under incidental charges at different Dockyards, varying from 10·4 per cent. at Chatham to 18·7 at Sheerness, the Admiralty have undertaken to look into the matter immediately after the passing of the Estimates this year.

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16. The Committee wish to draw attention to the expenditure on the new Royal Yacht, which up to end of the financial year had exceeded the Estimate of 216,648*l*. for Direct Charges by the sum of 37,222*l*. As this excess is said to be mainly due to inexperience in building ships of this kind, the Committee are of opinion that work of this character should not in future be undertaken in His Majesty's Dockyards.

Q. 659-691.

17. Your Committee also desire to call attention to the case of the repairs and refit of the "Dreadnought."

(a) This was an old ship in 1895, when 10,636*l*. was spent on repairs.

(b) In 1895-96 it was decided to repair and refit her; and in that and the following year considerable sums were spent in making new boilers with a view to the refit. During 1897-98, 1898-99, and 1899-1900 she was under repair and refit.

(c) There has thus been spent on her, including incidental charges, 88,885*l.*, apart from 10,636*l.* spent in 1894–95, or in all 99,521*l.*

(d) Estimates were presented and voted for the works expected to be done in each financial year. But the aggregate of the estimates for the three years, 1897–98, 1898–99, and 1899–1900, was 53,359*l.* against an aggregate expenditure of 75,399*l.*

The deficiency of 22,040*l.* was met out of surpluses on other Votes.

(e) No estimate of the total cost of the proposed refit and repairs was at any time submitted to the Admiralty or presented to Parliament; and the column provided for such estimate was left blank with the note “details not complete.”

(f) Your Committee are glad to find that the case is regarded as “exceptional, and is not likely to be repeated, and certainly will not be repeated if it can be avoided.”

(g) Your Committee are of opinion that in all cases, before determining upon the policy of the refit and repair of an old ship, a very careful estimate (all the more careful because necessarily only approximate) of the probable total cost should be made and considered by the Admiralty, and should be presented to Parliament at the earliest opportunity.

Nor can your Committee find that any adequate reason for the omission to take this course in this case appears.

NAVAL WORKS ACT, 1895, 1896, 1897, 1898 ACCOUNTS.

18. Nothing calling for special notice arises on these Accounts.

GREENWICH HOSPITAL AND TRAVERS' FOUNDATION.

19. The cost of administration of the Hospital, amounting to 3,861*l.*, is given in the Account for the first time, in accordance with the desire of the Public Accounts Committee expressed in last year's Report. Q. 700.

20. (a) Your Committee find that part of the yearly receipts of the Hospital arises out of royalties from collieries and limeworks; and that the gross amount of such royalties is habitually treated as income. Q. 784–790.

(b) It appears that the custom is not to spend the whole income of the Hospital; and that a surplus, which is in excess of the receipts from royalties, is yearly invested; and is thus said to be added to the capital.

(c) But this does not seem to meet the difficulty, which arises from the fact that the coal and lime are being exhausted, and the income will some day end with its source.

(d) It follows that, in so far as the income represents the wastage of capital, it is not in the true sense surplus income but represents existing capital, and thus its investment does not really, as under the present system it appears to do, add to the capital of the Hospital.

(e) Your Committee are of the opinion that the course pursued in some analogous cases by certain other Government Departments should be followed; and that a due proportion of the yearly receipts, past and future, from these wasting assets, should be set aside to meet their depreciation.

VICTUALLING YARDS MANUFACTURING ACCOUNTS.

21. No questions arose upon these Accounts.

22. Your Committee desire to express their warm appreciation of the ability and industry displayed by the Comptroller and Auditor General and his staff in the preparation of Vol. III. of the Handbook to the Reports from the Committees of Public Accounts, dating 1893-1900, together with the Index, comprehending the three volumes, containing Reports from 1857-1900.

T H I R D R E P O R T .

THE COMMITTEE OF PUBLIC ACCOUNTS have made further Progress in the Matters to them referred, and have agreed to the following THIRD REPORT:—

ARMY APPROPRIATION ACCOUNT.

1. The total amount of Exchequer Grants for Army Services in the year 1899–1900 was 43,617,200*l.*, including two Supplementary Grants of 10,000,000*l.* and 13,000,000*l.* on account of the war in South Africa; 3,200,133*l.* was in addition estimated as the total receipts for Appropriations in Aid, making up a gross total grant of 46,817,333*l.* The gross expenditure was 46,133,656*l.* 11*s.* 4*d.*, towards which the actual receipts from Appropriations in Aid were 3,068,258*l.* 14*s.* 7*d.*; thus the net expenditure was 43,065,397*l.* 16*s.* 9*d.*, leaving a surplus of 551,802*l.* 3*s.* 3*d.* But against this surplus a sum of 140,818*l.* 10*s.* 4*d.* must be charged, which was incurred within the year, but the accounts of it, though received, had not been examined before the Appropriation Account was closed. Besides this, accounts of further expenditure, amounting to 178,800*l.*, have now been received, and accounts of 100,000*l.*, more or less, are expected, which will be included in the next year's Accounts. The balance surrendered was 551,802*l.* 3*s.* 3*d.* Q. 798–834.

The total amount of South African War Charges on the different Votes amounted to 22,790,000*l.* up to the 31st of March 1900, or 210,000*l.* under the amount voted in the Supplementary Estimates, but this can only be an approximate, not a complete, estimate.

2. A large number of vouchers for expenditure and receipts during the month of February 1900 were lost in the wreck of the mail steamer “Mexican.” Duplicate copies of the pay lists have since been furnished, but the vouchers for district payments, viz., for the staff and civilian surgeons, for transport, forage, and stores, for which no duplicates were taken, are irretrievably lost. Q. 835–871.

These unvouched items of district payments and receipts amounted to 710,402*l.* 17*s.* and 19,221*l.* 9*s.* respectively. Duplicates of the Accounts and Schedules showing the totals of the charges and credits to the different Votes, compiled in the offices of the Paymasters, together with the supporting certificates of the latter, have been furnished to the Comptroller and Auditor General; and as the original vouchers and receipts were lost before examination, your Committee are prepared to recommend to Parliament that the certificates may be accepted as adequately supporting the charges.

3. A sum amounting to 4,117*l.* 19*s.* 8*d.*, for which there were no vouchers, was included under the certificates of the Secretary of State for War, in Vote I., Sub-Head A., Pay of General Staff. This sum was paid for services of a confidential nature, and the certificates were similar to those given by the Secretary of State in cases of Secret Service. Q. 895–928;
1560–1579.

The Treasury gave their sanction to the expenditure being so charged in a letter of the 8th of March 1900, having regard to the exceptional circumstances necessitating that expenditure. It also appears that a Regulation, paragraph 660, has been inserted in the Allowance Regulations of the Army, “granting a sum of 300*l.* a quarter to the officer commanding an army engaged in warlike operations, for the purpose of obtaining intelligence connected with such operations.”

In the present War this allowance was increased by the Treasury on the 6th of January 1900, upon the application of the War Office, from 300*l.* to 1,000*l.* a quarter.

On the 1st of March 1900, the Secretary of State for War informed the Treasury by letter that the expenditure on field intelligence in South Africa up to 5,000*l.* had been authorised, and a further amount of 7,000*l.* expended for acquiring information connected with military operations. Lord Lansdowne received the sanction of the Treasury to charging the same to Vote I., Sub-Head A., and to his certificate being considered a sufficient voucher.

P.A.C. Report, 1882, Para. 78.

Your Committee, whilst acknowledging that these payments were necessary under existing circumstances, consider that they should not be made in the future without Parliamentary sanction, and that provision for such services should be made by a token vote or otherwise under a new heading in the Army Votes.

Q. 943-966.

4. Upon Vote 5 an instance occurred of neglect on the part of the War Office to alter their regulations when recommended by this Committee, in the case of gratuities paid under paragraph 627 of the Volunteer Regulations to 110 men of the 15th Middlesex Rifle Volunteers, who were injured on the 11th of April 1898 by an accident on the London and South Western Railway.

P.A.C. 2nd Report, Para. 2.

The Public Accounts Committee in 1894 recommended that "before granting gratuities in such cases the War Office should be informed of and take into consideration any compensation that may have been awarded from sources other than the State, and that the Regulation should be modified with this view." The compensation paid by the Railway Company to the men amounted in this instance to nearly 10,000*l.* Yet the War Office had to pay, by the advice of the Law Officers of the Crown, 655*l.* 0*s.* 6*d.* as gratuities in addition, because their Regulation had not been altered, as recommended four years before. This alteration has now been made.

Q. 1042-1294.

5. Upon Vote 7 your Committee made an exhaustive inquiry into a contract, made in October 1899 in South Africa, for the supply to the troops in the field of 2,000,000 lbs., afterwards extended to 4,000,000 lbs., of meat, by the Cold Meat Storage Company, at 11*d.* per lb.

This contract was understood by the War Office to relate to fresh meat only; in South Africa Colonel Richardson, who made the contract, distinctly states that it was fully understood on both sides to include frozen meat. As a matter of fact, about 3,000,000 lbs. out of 4,000,000 lbs. supplied was frozen meat.

The risk which the Company incurred was of the greater expenses which they would incur from the constant movement of troops, and even in the case of frozen meat from the "demurrage" to be paid upon their trucks. As it turned out, the long stay of the troops upon the Modder River enabled the Company to make large profits, and they consented not only to a refund of 27,000*l.* upon their original contract, but in a second contract to charge only 9*d.* a lb. for frozen meat.

Your Committee are of opinion that, having regard to the difficulty of supply and the uncertainty of events, Colonel Richardson was justified in making the contract, but that he should have contracted at different prices for frozen meat and fresh meat, and that the terms of such contracts should in future be made more clear to the War Office, when reported home.

Q. 1351-1352.

6. The damages done to the buildings, bridges, and permanent way of the Colonial railways during the war have been the subject of arrangement between the War Office and the Railway Departments of the Cape and Natal. No account has yet been given of the credits and charges, but a provisional statement is being prepared, without waiting for a final adjustment at the close of the war.

Q. 1400-1410.

7. Upon Vote 10, the cost of the reconstructing the drainage of Hounslow Barracks was very largely under-estimated, and the original cost of 6,500*l.* rose by successive stages to 11,092*l.*, or about 70 per cent. in excess of the original estimate. Your Committee also note that a sum of 1,000*l.* was paid by the War Office to the contractor, without any provision having been made by Parliament, and without the sanction of the Treasury having been given.

Your Committee desire to associate themselves with the opinion expressed in the Treasury Letter, No. 40, on page 176 of these Accounts, that "it is of great importance that estimates of cost submitted for Parliamentary sanction should be such as the House of Commons can accept as final," that the executive branches connected with these engineering services should be more accurate in their initial estimates, and more careful that the schedule of prices upon which the estimates are framed corresponds with existing prices, so that there may not be excesses of 149 per cent., of 70 per cent., and of 66 per cent., in a single year upon three works.

Your Committee deprecate in the strongest manner any diversion of Parliamentary funds without Treasury sanction.

8. A payment of 4,890*l.* under Vote 6 appears to have been made to the owners of the ss. "Lusitania," being one month's hire, which had been engaged by the Imperial Yeomanry as a transport and was subsequently found by the Admiralty to be unsuitable for the conveyance of troops. Q. 1435-1443.

Your Committee are of opinion that this expense might have been saved had the duty of inspecting the transports before hiring been performed by the Admiralty and not delegated to an inexperienced committee.

Occupation of the Bethnal Green Militia Barracks by the Committee of St. John's National Schools, Bethnal Green.

9. A long correspondence, printed in the Appendix, and an angry controversy has taken place on the subject of the occupation of these barracks by the St. John's Schools, which lasted from March 1899 to March 1900. The Treasury demanded a rental covering the ground rent of 90*l.* per annum, the payment of all rates, and the cost of a caretaker. The Committee of the Schools, on the other hand, thought that they should be allowed to occupy the barracks rent free, on the ground that the building was used for educational and religious purposes, and that they were already heavily burdened by other expenses. In a letter, however, of the 10th of May 1899, the committee expressed, through their secretary, their willingness to pay 50*l.* per annum as rent. Your Committee desire, in the first place, to express their concurrence with the Treasury in regretting that the War Office allowed the School Committee to occupy a part of the barracks without having previously settled the conditions of the occupation. Q. 1465-1519
1715-1726.
Appendix,
No. 6.

They cannot in any way admit the plea of the School Committee, that they ought to be excused rent on the grounds urged. Your Committee are of opinion that no Department should allow public buildings in their charge to be occupied rent free.

Your Committee are further of opinion that under the circumstances the best course has been taken by the War Office in accepting the sum of 50*l.*, which has now been paid on behalf of the committee for the use of the barracks.

STORE ACCOUNTS OF THE ARMY.

10. No question requiring special notice arises on these Accounts.

MILITARY WORKS ACTS ACCOUNTS.

11. No observations arise on these Accounts.

BARRACKS ACT ACCOUNTS.

12. In connection with the conversion of Woking Prison into an artillery barrack, the War Office had occasion to acquire about 7½ acres of land, the price asked for which was 2,533*l.* The War Office were only prepared to give 2,000*l.*, and the land, with about 2½ acres added at the instance of the vendor, was taken under compulsory powers, the arbitration award for the whole area being 6,839*l.* Q. 1673-1712

Your Committee are of opinion that this increase of expenditure was brought about mainly by the delay consequent upon the Treasury Solicitor not understanding the instructions he received from the War Office in December 1896, to the effect that the land to be acquired was to be used for the erection of barracks. He did not discover this till June 1897, when the steps taken under the Defence Act were abandoned, and proceedings commenced under the Military Lands Act of 1892. It was then too late to obtain the special Act required by the procedure under that Act, and consequently a further delay took place till the following year. Meanwhile the property had changed hands, and a brickfield had been set up in the vicinity, which greatly enhanced its value.

CHELSEA HOSPITAL ACCOUNT.

ROYAL ARMY CLOTHING FACTORY ACCOUNT

13 No points calling for observation arise on these Accounts.

ARMY ORDNANCE FACTORIES APPROPRIATION ACCOUNT.

Q 1750-1779. 14. Your Committee have to observe that expenditure outside the repayment services was incurred upon the Ordnance Factories for 1899-1900, without the sanction of any Vote of Parliament, which was not taken till the 4th of August in the latter year.

Your Committee have called attention to this irregularity before, and desire again to express to Parliament their opinion of the desirability of remedying this irregularity by taking the necessary Vote in March.

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES.

Q. 1782. 15. The value of the output, including semi-manufacture, amounted to 3,551,565*l.*, a sum exceeding the average of the last three years by 537,609*l.*

Q. 1785-1788. 16. In reference to paragraph 12 of the Second Report of the Public Accounts Committee of last year, it has not been found possible to transfer the Accounts of the Building Works Department to the Central Office, and the existing duplication of account keeping will be maintained until the question of decentralisation is settled.

Your Committee agree that this is unavoidable.

Q. 1819-1826. 17. Your Committee find from the Comptroller and Auditor General's Report that in the past 12 years 146,567*l.* of the sum written off as depreciation on machinery had been applied in aid of Capital Expenditure on Buildings. They are glad to learn, as the result of an inter-departmental Committee, that the extension of buildings out of funds properly applicable to the maintenance of machinery and buildings in a thoroughly serviceable and up to date condition is to cease, and that no diversion of savings upon machinery can be devoted to new building, without Treasury sanction.

10 *July* 1901.

FOURTH REPORT.

THE COMMITTEE OF PUBLIC ACCOUNTS have made further Progress in the Matters to them referred, and have agreed to the following FOURTH REPORT:—

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1899-1900.

1. ON Vote 12, Class I., Sub-head G., there is a charge of 10,000*l.* for the Metropolitan Fire Brigade. This represents the contribution which the Government paid, when they did not pay full rates. Since adequate rates are now paid on Government property, your Committee are of opinion that the Treasury should consider the propriety of discontinuing this payment. Q. 2086-2090.

2. On Vote 5, Class II., the Foreign Office, the question of retaining a Queen's Foreign Service Messenger up to the age of 76 was discussed by your Committee. It appeared to have been held that the Diplomatic and Consular Service did not come under the Order of Council governing retirement. This has now been altered by the Order in Council of 1898, and the Foreign Office Messengers will retire at 65. Q. 2330-2338

3. On Class V., Vote 1, your Committee recommend the omission from the Accounts of a long list of places where expenditure of small sums has been incurred, or fees received. Q. 2353-2355.

4. On the Colonial Office Vote, a question arose respecting a telegram sent by the Colonial Office on behalf of a private individual to South Africa, the payment for which could not be recovered from him. This was found to be a solitary instance of non-payment, but the general rule of the Colonial Office is to allow a telegram to be forwarded at the expense of a private individual in such cases in which, had time not pressed, it would have been considered legitimate to forward a despatch as being in connection with a matter of grave public nature. Q. 2382-2403,
2468-2474.

5. On Vote 2, Class V., Uganda, the sum of 13,900*l.* is charged to the Head of Rebellion and Mutiny. This sum represents expenditure for pay of troops, transport, and miscellaneous charges. For this accounts were kept, but the vouchers were subsequently lost during the mutiny, and some of the money was looted by the mutineers. The Accounting Officer has reported that after every exertion it has been found impossible to obtain the necessary particulars to enable a statement to be compiled. Your Committee accept this explanation. Q. 2515-2519.

6. They also desire to express their opinion that in the case of small payments to natives, vouchers need not be required, but that the certificate of the responsible officer that the money has been expended be accepted as sufficient. Q. 2520-2523.

7. On the Vote for the Royal Irish Constabulary, the Comptroller and Auditor General referred to the case of a pensioner who is insane, and not being a civil servant the Treasury held that they could not make payments to his next of kin. Your Committee recommend that this pension should be passed for payment, and that the brother of the lunatic who supports him should receive it. Q. 2536-2551.

REVENUE DEPARTMENTS.

TREASURY CHEST.

LOCAL LOANS FUND.

UGANDA RAILWAY ACT.

CIVIL CONTINGENCIES FUND.

CONSOLIDATED FUND.

8. No observations arise on these Accounts.

ALLEGATIONS AS TO SALE OF ADMIRALTY STORES.

Q. 992-1041,
1295-1332.
1520-1531.
1713-1714.

9. Your Committee, in the course of its sittings, received from Mr. James Fitzalan Hope, M.P. for the Brightside Division of Sheffield, a copy of a letter, dated 1st March 1901, addressed by him to Mr. Clinton Dawkins' Committee on War Office Re-organisation, in which he advocated a change in the system of dealing with unexpended balances at the close of the financial year. Mr. Hope's contention was that the desire on the part of Departments to avoid the surrender of unexpended balances led to wasteful expenditure. In support of his argument Mr. Hope mentioned that he had been informed that in one instance (stated to be of regular occurrence) the identical goods ordered by the Admiralty in March at 2s. per unit were sold as old stores in April at less than 8d.

Q. 997.

10. Your Committee felt it to be their duty thoroughly to investigate this allegation, and at their request Mr. Hope appeared before them on the 1st of May to give evidence. He then stated that he found himself unable to prove the case, and under these circumstances he desired unreservedly to withdraw his allegation and to express his regret at having made it.

11. Your Committee, however, decided to make a complete investigation, and at their request the Comptroller and Auditor General made an exhaustive inquiry into the sale of Naval Stores by the Admiralty during the years 1898, 1899 and 1900, which were indicated by the honourable Member as the date of the alleged occurrence.

12. The Comptroller and Auditor General reported that sales of Naval Stores can only take place as the result of a condemnation by a Board of Survey. All the reports to hand were examined by the Audit Officers, and they found no trace in any of the years of such treatment of Stores as Mr. Hope suggested. The Comptroller and Auditor General also reported that every case of condemnation of Stores passes through the hands of six officers at different times, including some very highly-placed officials at the Admiralty. At the request of the Committee the Comptroller and Auditor General subsequently examined the accounts of more than half of the whole of the Victualling Stores for the three years in question, and reports that he found "absolutely nothing which in any way tallies with the allegations the Committee have had under consideration." At a later date the Comptroller and Auditor General completed his examination of the accounts of the Victualling Stores, the Naval Stores, and the Building Works Stores, and reported that not only were the allegations made not found to be substantiated in any of the three years, but that the safeguards which surround the sale of all Admiralty Stores are such as to render any irregularity in the last degree improbable, and that if anything of the kind suggested occurred, it would infallibly be brought to light during the audit by his Department.

25 July 1901.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 6th March 1901.

MEMBERS PRESENT :

Mr. Cohen.
Mr. Baldwin.
Mr. Pym.
Sir R. Mowbray
Mr. Gibson Bowles.
Mr. Goddard.
Sir Arthur Hayter.

Mr. Austen Chamberlain.
Mr. Cameron Corbett.
Sir W. Brampton Gurdon.
Mr. Brodie Hoare.
Mr. Banbury.
Mr. Blake.

Sir ARTHUR HAYTER was called to the Chair.

The Excess Votes for Civil Services and Revenue Departments were considered.

Sir *E. Hamilton*, K.C.B., Mr. *Phillips*, and Mr. *R. J. Thompson* were examined.

DRAFT FIRST REPORT, proposed by the *Chairman*, read the first and second time, paragraph by paragraph, and agreed to.

Ordered to Report.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 13th March 1901.

MEMBERS PRESENT :

Sir W. Brampton Gurdon.
Mr. Baldwin.
Mr. Pym.
Sir R. Mowbray.
Mr. Austen Chamberlain.
Mr. Gibson Bowles.

Mr. Cohen.
Mr. Banbury.
Mr. Brodie Hoare.
Mr. Blake.
Mr. Herbert Lewis.

In consequence of the absence, through indisposition, of the Chairman, Mr. GIBSON BOWLES was called to the Chair.

The Navy Appropriation Account was considered.

Mr. *R. D. Awdry*, C.B., Colonel *Thales Pease*, C.B., Colonel *Raban*, R.E., Mr. *Chalmers*, C.B., and Mr. *Phillips* were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 20th March 1901.

MEMBERS PRESENT :

Mr. Baldwin.
Mr. Goddard.
Sir R. Mowbray.
Sir W. Brampton Gurdon.
Mr. Austen Chamberlain.
Mr. Banbury.

Mr. Blake.
Mr. Pym.
Mr. Cohen.
Sir Thomas Esmonde.
Mr. Herbert Lewis.

In consequence of the absence, through indisposition, of the Chairman, Sir W. BRAMPTON GURDON was called to the Chair.

Mr. *Chalmers*, C.B., Mr. *F. Phillips*, Mr. *R. D. Awdry*, C.B., Colonel *Thales Pease*, C.B., Colonel *Raban*, R.E., Mr. *David Evans*, Mr. *H. R. Yorke*, C.B., and Admiral *Bouverie F. Clark* were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 27th March 1901.

MEMBERS PRESENT :

Sir ARTHUR HAYTER in the Chair

Mr. Cohen.
Mr. Herbert Lewis.
Mr. Goddard.
Sir R. Mowbray.
Mr. Austen Chamberlain.
Sir W. Brampton Gurdon.

Mr. Brodie Hoare.
Mr. Cameron Corbett.
Mr. Banbury.
Mr. Blake.
Sir Thomas Esmonde.

The Dockyard Expense, Naval Works Acts, Greenwich Hospital and Travers' Foundation, and Victualling Yard Manufacturing Accounts, were considered.

Mr. R. Chalmers, C.B., Mr. Francis Phillips, Mr. Gordon Voules, Colonel Raban, R.E., Major Pilkington, and Mr. G. T. Lambert, were examined.

[Adjourned till Wednesday, 24th April, at Two o'clock.]

Wednesday, 24th April 1901.

MEMBERS PRESENT :

Sir ARTHUR HAYTER in the Chair.

Sir R. Mowbray.
Mr. Goddard.
Mr. Herbert Lewis.
Mr. Cohen.
Mr. Austen Chamberlain.
Mr. Gibson Bowles.

Mr. Brodie Hoare.
Mr. Banbury.
Mr. Blake.
Mr. Cameron Corbett.
Mr. Baldwin.

The Committee deliberated.

Resolved, "That Mr. J. F. Hope, a Member of this House, be requested to attend this Committee to be examined with reference to his letter, dated 1st March 1901, communicated by him to the Members of the Committee."—(Mr. Gibson Bowles).

The Army Appropriation Accounts were considered.

Mr. D. C. Richmond, Mr. R. Chalmers, C.B., and Mr. F. T. Marzials, were examined.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 1st May 1901.

MEMBERS PRESENT :

Sir ARTHUR HAYTER in the Chair.

Sir R. Mowbray.
Mr. Goddard.
Mr. Pym.
Mr. Baldwin.
Mr. Cohen.
Mr. Austen Chamberlain.

Sir W. Brampton Gurdon.
Mr. Gibson Bowles.
Mr. Brodie Hoare.
Mr. Banbury.
Mr. Blake.
Sir Thomas Esmonde.

Mr. J. F. Hope, a Member of this House, was examined with regard to his allegations about the disposal of Admiralty Stores.

The Army Appropriation Accounts were further examined.

Mr. D. C. Richmond, Mr. R. Chalmers, C.B., and Mr. F. T. Marzials, were examined.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 8th May 1901.

MEMBERS PRESENT:

Sir ARTHUR HAYTER in the Chair.

Sir R. Mowbray.
Mr. Goddard.
Mr. Herbert Lewis.
Mr. Baldwin.
Mr. Cameron Corbett.
Mr. Cohen.

Mr. Austen Chamberlain.
Sir W. Brampton Gurdon.
Mr. Brodie Hoare.
Mr. Banbury.
Mr. Blake.

DRAFT SECOND REPORT, proposed by the *Chairman*, read the first time, as follows:—

“NAVY APPROPRIATION ACCOUNT, 1899–1900.

VOTE 8—III., CONTRACT WORK.

“1. THE principal feature of this Account, in the opinion of the Comptroller and Auditor General, is the very large under-expenditure upon Vote 8—III., Contract Work, amounting to 1,489,720*l.* 16*s.* 8*d.*, or about 23 per cent. of the Estimate. This under-expenditure, which occurred also in the two preceding years, is attributable, as admitted by the Admiralty, to the postponement by the Department of the placing of orders, and to the delay of contractors in carrying out Admiralty work owing to the difficulty of obtaining men and materials. Q. 39 sqq.

“2. Similar delays to these in the delivery of ships have also taken place in the delivery of torpedo-boat destroyers, and of 12-inch and 6-inch guns. Q. 261 sqq.

“This subject was noticed in the Second Report of the Committee of Public Accounts of last year (paragraph 2), and it was then stated that no penalty had been actually enforced, but that the whole question of penalties, both for ships and guns, was now under the consideration of the Board of Admiralty.

“It now appears that while penalties for late delivery of torpedo-boat destroyers have been waived in all cases where a decision has been arrived at, the Admiralty have enforced penalties on account of falling off in speed in the cases of five torpedo-boat destroyers, and have exacted penalties amounting only to 350*l.* for late delivery of ships.

“3. The whole question, both of shipbuilding by contract and the enforcement of penalties, has been relegated to a Committee appointed by the First Lord of the Admiralty, and consisting of Mr. Arnold Forster (President), Admiral Wilson, Sir Thomas Sutherland, and Sir Francis Evans. The Committee of Public Accounts attach great importance to this question in view of securing greater punctuality in delivery, and they also desire to suggest that the question of giving a premium for success might be considered, as well as the enforcement of penalty for failure. Q. 41.

“4. Your Committee desire to take note of the fact that certain advances have been made to contractors, without interest, in cases where heavy expenses have been incurred with a view of earning one or more covenanted instalments, but the contractors have been prevented by unavoidable causes, and through no fault of their own, from claiming the payment of such instalments. Q. 303 sqq.

“Your Committee are of opinion that such advances should only be made in special cases, fulfilling the conditions laid down in the 6th paragraph of the Fourth Report of the Committee of 1890, and should invariably be reported to the Treasury. They also desire to express their opinion that in the future much stricter inquiry should be made into the financial status of firms before entering into any large contracts with them.

“VOTE 10.

“PORTSMOUTH.—REBUILDING OF NELSON MONUMENT ON PORTSDOWN HILL.

“5. This Monument was taken over by the Admiralty from the War Office, and was rebuilt by Messrs. Light and Son, whose bill amounted to 1,091*l.* The contractors subsequently proved by a reference to their books that the work actually cost them 1,411*l.*, and that their loss amounted to 320*l.* 7*s.* 3*d.* The Admiralty applied to the Treasury for leave to pay this excess out of savings upon Vote 10; and the Treasury acceded to the application, on the ground that the work was very exceptional in its character, and that it was impossible to make an accurate estimate of the expense before the work was commenced. Your Committee agree that the case must be regarded as exceptional, in order to admit of a deviation from the terms of the contract in favour of the contractor. Q. 384 sqq.

Q. 447 sqq.

" 6. Your Committee learn with satisfaction that in consequence of their suggestion in last year's Report a conference has taken place between representatives of the Treasury, the Admiralty, and the Comptroller and Auditor General, and a scheme of adjustment between the money transactions under Sub-Head S., Vote 10, and the outcome of the Stock Account has been recommended, which if adopted will, as the Comptroller and Auditor General hopes, bring about practical agreement in the future.

" STORE ACCOUNTS OF THE NAVY.

" DOCKYARD STORES.

Q. 497 sqq.

" 7. Two similar cases to those mentioned in last year's Report, of excessive issues of copper sheeting for Ships Building, occurred at Pembroke Dockyard, in the cases of the 'Spartiate,' from which 3,660 sheets, valued at 960*l.*, were returned into Store unused, and from the Royal Yacht, from which 2,718 sheets, valued at 740*l.*, were returned. But it appears that these were old transactions, previous to the notice in last year's Report, and the Admiralty have taken steps to prevent a recurrence of the over-issues by directing that stores should be demanded specifically for each ship, and that when it is considered desirable to demand materials for a new ship, not provided in the Estimates, the Admiralty should be informed.

Q. 526.

" 8. In the matter of coaling and the losses of coal and gear, the Admiralty have issued a very valuable circular to Commanders-in-Chief at Home and Abroad, directing a report to be sent after coaling from every ship, when there has been a considerable loss of gear, or a deficiency in the coal compared with that consigned, detailing the particulars, and where the losses exceed what might be reasonably expected, special investigation is to be made without waiting for the presentation of the Accounts.

" VICTUALLING YARD STORES.

" 9. The Reserve of these Stores shows a net increase of 88,017*l.*

" NAVAL ORDNANCE STORES.

" 10. The Reserve of these Stores shows a net increase of 544,212*l.*; and an increase in five years from 8,099,881*l.* to 11,104,347*l.*

" WORKS DEPARTMENT STORES.

" 11. These Accounts call for no special notice.

" TRANSPORT STORE ACCOUNTS.

Q. 552 sqq.

" 12. It appears that 930 blankets, of Troop Service pattern, were sent in from Bermuda in bales as serviceable to Deptford, but on being opened up were condemned 'as moth-eaten and practically rags.' The Director of Transports pleads the adverse climate of Bermuda, but as special instructions have been issued by the Admiralty to guard against the effect of this upon woollen goods, a Special Report has been asked for, by the Comptroller and Auditor General, as to whether these instructions were carried out.

" DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS, 1899-1900.

Q. 572 sqq.

" 13. The difference between the Original and Revised Estimate amounts to 1,184,164*l.*

" The Original Estimate was 11,715,593*l.*

" The Revised Estimate was 10,531,429*l.*

" This falling off was entirely upon contract work, and was caused partly by the late placing of orders and partly by the busy state of the shipbuilding trade.

" But the whole of this question of delays in the execution of contracts is now being inquired into by a Committee appointed by the Admiralty, and presided over by the Secretary of the Admiralty, and your Committee do not at present desire to express any opinion upon the subject.

Q. 696 sqq.

" 14. With regard to great variation under incidental charges at different Dockyards, varying from 10·4 per cent. at Chatham to 18·7 at Sheerness, the Admiralty have undertaken to look into the matter immediately after the passing of the Estimates this year, premising, however, that the incidental charges must always be proportionately higher at a small than at a large yard, because there are so many items which are common to the one as to the other.

" NAVAL WORKS ACT, 1895, 1896, 1897, 1898 ACCOUNTS.

" 15. Nothing calling for special notice arises on these Accounts.

" GREENWICH HOSPITAL AND TRAVERS' FOUNDATION.

Q. 760.

" 16. The cost of administration of the Hospital, amounting to 3,861*l.*, is given in the Account for the first time, in accordance with the desire of the Public Accounts Committee expressed in last year's Report.

“ VICTUALLING YARDS MANUFACTURING ACCOUNTS.

“ 17. No questions arose upon these Accounts.

“ 18. Your Committee desire to express their warm appreciation of the ability and industry displayed by the Comptroller and Auditor General and his staff in the preparation of Vol. III. of the Handbook to the Reports from the Committees of Public Accounts, dating 1893–1900, together with the Index, comprehending the three volumes, containing Reports from 1857–1900.”

Question, That this Report be read a second time, paragraph by paragraph,—put, and *agreed to*.

Paragraphs 1—4, amended, and *agreed to*.

Amendment proposed, That the following new paragraph be inserted in the Report:—“ Your Committee have also had under consideration two cases of advances to contractors of an exceptional character, one of which was made on the security of the personal bond of the managing director of a ship-building company, and the other without such security. In both cases interest at bank rate was charged.

“ It has been explained in evidence that although the contractors had not fulfilled the conditions entitling them to the payment of any specific instalments, they had done work to a value considerably exceeding the sums advanced.

“ In another case, in consequence of the failure of the contractors, special advances were made to the receivers and managers of the company in liquidation to enable them to complete the work the contractors had in hand at the time of their failure.

“ Your Committee consider that circumstanced as the Admiralty was at the moment when these advances were made, the Admiralty was justified in the course which it pursued, but they desire to express their opinion that in the future much stricter inquiry should be made into the financial status of firms before entering into any large contracts with them ”—(The *Chairman*).—Question, “ That the proposed new paragraph be inserted in the Report,”—put, and *agreed to*.

Paragraph 5.

Amendment proposed, to leave out all the words from the word “ agree ” in line 7 to the end of the paragraph, in order to add the following words: “ are of opinion that such deviations from the terms of a contract in favour of the contractors should only be allowed by the Treasury when the circumstances are very exceptional, and that this case must in no way be taken as a precedent ”—(Mr. *Banbury*).

Question, “ That the words proposed to be left out stand part of the paragraph,”—put, and *negatived*.

Question put, “ That the proposed words be there added.”—The Committee divided :

Ayes, 8.

Mr. Baldwin.
Mr. Banbury.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Cameron Corbett.
Mr. Brodie Hoare.
Sir Robert Mowbray.

Noes, 3.

Mr. Blake.
Mr. Goddard.
Sir W. Brampton Gurdon.

Paragraph 6, *agreed to*.

Paragraphs 7 and 8, amended, and *agreed to*.

Paragraphs 9—11, *agreed to*.

Paragraphs 12—14, amended, and *agreed to*.

Paragraphs 15—18, *agreed to*.

The Army Appropriation Accounts were further considered.

Colonel *Richardson*, Mr. *F. T. Marzials*, Mr. *R. Chalmers*, C.B., and Mr. *D. C. Richmond*, were examined.

[Adjourned to Wednesday next, at Two o'clock

Wednesday, 15th May 1901.

MEMBERS PRESENT :

Sir ARTHUR HAYTER in the Chair.

Mr. Austen Chamberlain.
Sir W. Brampton Gurdon.
Mr. Gibson Bowles.
Mr. Brodie Hoare.
Mr. Banbury.
Mr. Cohen.
Mr. Cameron Corbett.

Mr. Goddard.
Sir R. Mowbray.
Mr. Blake.
Sir Thomas Esmonde.
Mr. Herbert Lewis.
Mr. Baldwin.

Mr. D. C. Richmond was examined as to the disposal of Admiralty Stores.

The Army Appropriation Accounts were further considered.

Mr. D. C. Richmond, Mr. F. T. Marzials, and Mr. R. Chalmers, C.B., were examined.

DRAFT SECOND REPORT, further considered.

Amendment proposed, That the following new paragraph be inserted in the Report :—

"The Committee wish to draw attention to the expenditure on the new Royal Yacht, which up to the end of the financial year had exceeded the estimate of 216,648*l.* for Direct Charges by the sum of 37,222*l.* As this excess is said to be mainly due to inexperience in building ships of this kind, the Committee are of opinion that work of this character should not in future be undertaken in His Majesty's Dockyards"—(Mr. Goddard).—Question, "That this paragraph be inserted in the Report,"—put, and agreed to.

Another Amendment proposed, That the following new paragraph be inserted in the Report :

"Your Committee also desire to call attention to the case of the repairs and refit of the 'Dreadnought.'

"(a) This was an old ship in 1895, when 10,636*l.* was spent on repairs.

"(b) In 1895–96 it was decided to repair and refit her; and in that and the following year considerable sums were spent in making new boilers with a view to the refit. During 1897–98, 1898–99, and 1899–1900 she was under repair and refit.

"(c) There has thus been spent on her, including incidental charges, 88,885*l.*, apart from 10,636*l.* spent in 1894–95, or in all 99,521*l.*

"(d) Estimates were presented and voted for the works expected to be done in each financial year. But the aggregate of the estimates for the three years, 1897–98, 1898–99, and 1899–1900, was 53,359*l.* against an aggregate expenditure of 75,399*l.*

"The deficiency of 22,040*l.* was met out of surpluses on other Votes.

"(e) No estimate of the total cost of the proposed refit and repairs was at any time submitted to the Admiralty or presented to Parliament; and the column provided for such estimate was left blank with the note 'details not complete.'

"(f) Your Committee are glad to find that the case is regarded as 'exceptional, and is not likely to be repeated, and certainly will not be repeated if it can be avoided.'

"(g) Your Committee are of opinion that in all cases, before determining upon the policy of the refit and repair of an old ship, a very careful estimate (all the more careful because necessarily only approximate) of the probable total cost should be made and considered by the Admiralty, and should be presented to Parliament at the earliest opportunity,

"Nor can your Committee find that any adequate reason for the omission to take this course in this case appears"—(Mr. Blake).

Question, "That this paragraph be inserted in the Report,"—put, and agreed to.

Another Amendment proposed, That the following new paragraph be inserted in the Report :—

"(a) Your Committee find that part of the yearly receipts of the Hospital arises out of royalties from collieries and limeworks; and that the gross amount of such royalties is habitually treated as income.

"(b) It appears that the custom is not to spend the whole income of the Hospital; and that a surplus, which is in excess of the receipts from royalties, is yearly invested, and is thus said to be added to the capital.

"(c) But this does not seem to meet the difficulty which arises from the fact that the coal and lime are being exhausted, and the income will some day end with its source.

(d) It

"(d) It follows that, in so far as the income represents the wastage of capital, it is not in the true sense surplus income, but represents existing capital, and thus its investment does not really, as under the present system it appears to do, add to the capital of the Hospital.

"(e) Your Committee are of the opinion that the course pursued in some analogous cases by certain other Government Departments should be followed; and that a due proportion of the yearly receipts, past and future, from these wasting assets, should be set aside to meet their depreciation"—(Mr. Blake).

Question, "That this paragraph be inserted in the Report"—put, and *agreed to*.

Question, "That this Report, as amended, be the Second Report of the Committee to the House"—put, and *agreed to*.

Ordered, To Report.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 22nd May 1901.

MEMBERS PRESENT:

Sir ARTHUR HAYTER in the Chair.

Sir Robert Mowbray.
Mr. Goddard.
Mr. Cohen.
Mr. Blake.

Mr. Banbury.
Mr. Brodie Hoare.
Mr. Austen Chamberlain.
Mr. Pym.

Mr. D. C. Richmond was further examined as to the disposal of Admiralty Stores.

The Army Appropriation Accounts were further considered.

The Store Accounts of the Army, the Military Works Acts, and the Barracks Act Accounts were considered.

Mr. F. T. Marzials, Mr. D. C. Richmond, and Mr. R. Chalmers, C.B., were examined.

[Adjourned till Wednesday, 12th June, at Two o'clock.]

Wednesday, 12th June 1901.

MEMBERS PRESENT:

Sir ARTHUR HAYTER in the Chair.

Mr. Gibson Bowles.
Mr. Blake.
Mr. Baldwin.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Brodie Hoare.

Mr. Herbert Lewis.
Sir Robert Mowbray.
Sir W. Brampton Gurdon.
Mr. Guy Pym.
Mr. Goddard.
Mr. Banbury.

Mr. D. C. Richmond was further examined as to the disposal of Admiralty Stores.

The Army Appropriation Accounts were further considered (in respect to the occupation of Bethnal Green Barracks by the Committee of St. John's National Schools).

The Army Clothing Factory, the Army (Ordnance Factories), and Chelsea Hospital Accounts, and the Civil Service Accounts, Class I., Votes 1—5, were considered.

Colonel Bainbridge, Mr. F. T. Marzials, Mr. Chalmers, C.B., Mr. D. C. Richmond, Colonel Mulcahy, Viscount Esher, C.B. (attending by leave of the House of Lords), and Sir E. Hamilton, K.C.B., were examined.

[Adjourned till Wednesday next, at Two o'clock.]

Wednesday, 19th June 1901.

MEMBERS PRESENT:

Sir ARTHUR HAYTER in the Chair.

Mr. Austen Chamberlain.
Sir W. Brampton Gurdon.
Mr. Gibson Bowles.
Mr. Baldwin.
Mr. Blake.

Mr. Goddard.
Sir Robert Mowbray.
Mr. Cohen.
Mr. Pym.
Mr. Brodie Hoare.

The Civil Service Accounts, Class I., Votes 5—end, and Class II. (Votes 5, 6, 23, and 24 being postponed), and Class III., Votes 6 and 8, were considered.

Mr. D. C. Richmond, Sir Edward Hamilton, K.C.B., Viscount Esher, C.B., Mr. E. T. Fry, Mr. Henry Graham, C.B. (attending by leave of the House of Lords), Mr. W. Gibbons, Mr. W. P. Byrne and Mr. Jordan were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 26th June 1901.

MEMBERS PRESENT:

Sir ARTHUR HAYTER in the Chair.

Sir Robert Mowbray.
Mr. Goddard.
Mr. Guy Pym.
Mr. Cohen.
Mr. Banbury.
Mr. Baldwin.

Mr. Brodie Hoare.
Sir W. Brampton Gurdon.
Mr. Austen Chamberlain.
Mr. Herbert Lewis.
Mr. Gibson Bowles.
Sir Thomas Esmonde.

The Civil Service Accounts, Class II., Votes 5, 6, 23; Class III., Votes 1—5, 7, 9—12; Class IV., Votes 1, 2, 10; and Class V., Vote 1, were considered.

Sir E. Hamilton, K.C.B., Mr. D. C. Richmond, Mr. T. Digby Pigott, C.B., Mr. R. J. Bridgman, Sir George Kekewich, K.C.B., Sir Henry Craik, K.C.B., Mr. W. C. Cartwright, C.M.G., Mr. E. Ruggles Brise, C.B., and Mr. Engelbach were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 3rd July 1901.

MEMBERS PRESENT:

Sir ARTHUR HAYTER in the Chair.

Mr. Austen Chamberlain.
Sir W. Brampton Gurdon.
Mr. Banbury.
Mr. Cohen.
Mr. Herbert Lewis.
Mr. Goddard.

Sir Robert Mowbray.
Mr. Cameron Corbett.
Mr. Guy Pym.
Mr. Baldwin.
Sir Thomas Esmonde.

The Accounts of Woods, Forests, and Land Revenues, Civil Service Accounts, Class II., Vote 24; Class III., Votes 13—end; Class V., Votes 2 and 3; and Class VI., Vote 5, were considered.

Mr. D. C. Richmond, Sir E. Hamilton, K.C.B., Mr. F. Hellard, Mr. E. Hewlett, Mr. Engelbach, Sir Clement Hill, K.C.M.G., and Mr. G. Hervey were examined.

DRAFT THIRD REPORT, proposed by the Chairman, read the first time, as follows:—

“ARMY APPROPRIATION ACCOUNT.

Q. 798-834.

“1. THE total amount of Exchequer Grants for Army Services in the year 1899-1900 was 43,617,200*l.*, including two Supplementary Grants of 10,000,000*l.* and 13,000,000*l.* on account of the War in South Africa; 3,200,133*l.* was in addition estimated as the total receipts for Appropriations in Aid, making up a gross total grant of 46,817,333*l.* The gross expenditure was 46,133,656*l.* 11*s.* 4*d.*

46,133,656*l.* 11*s.* 4*d.*, towards which the actual receipts from Appropriations in Aid were 3,068,258*l.* 14*s.* 7*d.*; thus the net expenditure was 43,065,397*l.* 16*s.* 9*d.*, leaving a surplus of 551,802*l.* 3*s.* 3*d.* But against this surplus a sum of 140,818*l.* 10*s.* 4*d.* must be charged, which was incurred within the year, but the accounts of it, though received, had not been examined before the Appropriation Account was closed. Besides this, accounts of further expenditure, amounting to 178,800*l.*, have now been received, and accounts of 100,000*l.*, more or less, are expected. These will be included in the next year's Accounts, and the surrenderable balance is 551,802*l.* 3*s.* 3*d.*

"The total amount of South African War Charges on the different Votes amounted to 22,790,000*l.* up to the 31st of March 1900, or 210,000*l.* under the amount voted in the Supplementary Estimates, but this can only be an approximate, not a complete, estimate.

"2. A large number of vouchers for expenditure and receipts during the month of February Q. 835-871. 1900 were lost in the wreck of the mail steamer 'Mexican.' Duplicate copies of the pay lists have since been furnished, but the vouchers for district payments, viz., for the staff and civilian surgeons, for transport, forage, and stores, for which no duplicates were taken, are irretrievably lost.

"These unvouched items of district payments and receipts amounted to 710,402*l.* 17*s.* and 19,221*l.* 9*s.* respectively. Duplicates of the Accounts and Schedules showing the totals of the charges and credits to the different Votes, compiled in the offices of the Paymasters, together with the supporting certificates of the latter, have been furnished to the Comptroller and Auditor General; and as the original vouchers and receipts were lost before examination, your Committee are prepared to recommend to Parliament that the certificates may be accepted as adequately supporting the charges.

"3. A sum amounting to 4,117*l.* 19*s.* 8*d.*, for which there were no vouchers, was included under Q. 895-928 the certificates of the Secretary of State for War, in Vote I., Sub-Head A., Pay of General Staff 1560-1579. This sum was paid for services of a confidential nature, and the certificates were similar to those given by the Secretary of State in cases of Secret Service.

"The Treasury gave their sanction to the expenditure being so charged in a letter of the 8th of March 1900, having regard to the exceptional circumstances necessitating that expenditure. It also appears that a Regulation, paragraph 660, has been inserted in the Allowance Regulations of the Army, 'granting a sum of 300*l.* a quarter to the officer commanding an army engaged in warlike operations, for the purpose of obtaining intelligence connected with such operations.'

"In the present War this allowance was increased by the Treasury on the 6th of January 1900, upon the application of the War Office, from 300*l.* to 1,000*l.* a quarter.

"On the 1st of March 1900, the Secretary of State for War informed the Treasury by letter that the expenditure on field intelligence in South Africa up to 5,000*l.* had been authorised, and a further amount of 7,000*l.* expended for acquiring information connected with military operations. Lord Lansdowne received the sanction of the Treasury to charging the same to Vote I., Sub-Head A., and to his certificate being considered a sufficient voucher.

"Your Committee do not concur in this view, they adhere to the opinion expressed by the P. A. C. Public Accounts Committee in 1882, that such payments as are described as being for Secret Report, 1882, Service, should be held as properly chargeable to the Secret Service Vote, and not to Army Vote I. Para. 78. They see no limit to the expenditure incurred under the present system, and they entertain the most serious objections to the taking of money without any Parliamentary sanction, and without the usual vouchers.

"4. Upon Vote 5 an instance occurred, illustrative of the neglect of the War Office to alter Q. 943-965. their regulations even when recommended by this Committee, in the case of gratuities paid under paragraph 627 of the Volunteer Regulations to 110 men of the 15th Middlesex Rifle Volunteers, who were injured on the 11th of April 1898 by an accident on the London and South Western Railway.

"The Public Accounts Committee in 1894 recommended that 'before granting gratuities in P. A. C. such cases the War Office should be informed of and take into consideration any compensation that 2nd Report, 1894, Para. 2. may have been awarded from sources other than the State, and that the Regulation should be modified with this view.' The compensation paid by the Railway Company to the men amounted in this instance to nearly 10,000*l.* Yet the War Office had to pay, by the advice of the Law Officers of the Crown, 655*l.* 0*s.* 6*d.* as gratuities in addition, because their Regulation had not been altered, as recommended four years before. This has now been done.

"5. Upon Vote 7 your Committee made an exhaustive inquiry into a contract, made in October Q. 1042-1294. 1899 in South Africa, for the supply to the troops in the field of 2,000,000 lbs., afterwards extended to 4,000,000 lbs., of meat, by the Cold Meat Storage Company, at 11*d.* per lb.

"This contract was understood by the War Office to relate to fresh meat only; in South Africa Colonel Richardson, who made the contract, distinctly states that it was fully understood on both sides to include frozen meat. As a matter of fact, about 3,000,000 lbs. out of 4,000,000 lbs. supplied was frozen meat.

"The risk which the Company incurred was of the greater expenses which they would incur from the constant movement of troops, and even in the case of frozen meat from the 'demurrage' to be paid upon their trucks. As it turned out, the long rest which the troops enjoyed upon the Modder River enabled the Company to make large profits, and they consented not only to a refund of 27,000*l.* upon their original contract, but in a second contract to charge only 9*d.* a lb. for frozen meat.

"Your Committee are of opinion that, having regard to the difficulty of supply and the uncertainty of events, Colonel Richardson was justified in making the contract, but that the terms of such contracts should in future be made more clear to the War Office, when reported home, and that in such large contracts, amounting to over 100,000*l.*, legal assistance in making them should be resorted to.

"6. The

Q. 1351-1352. "6. The damages done to the buildings, bridges, and permanent way of the Colonial railways during the war have been the subject of arrangement between the War Office and the Railway Departments of the Cape and Natal. No account has yet been given of the credits and charges, but a provisional statement is being prepared, without waiting for a final adjustment at the close of the war.

Q. 1400-1410. "7. Upon Vote 10, the cost of the reconstructing the drainage of Hounslow Barracks was very largely under-estimated, and the original cost of 6,500*l.* rose by successive stages to 11,092*l.*, or about 70 per cent. in excess of the original estimate. Your Committee also note that a sum of 1,000*l.* was paid by the War Office to the contractor, without any provision having been made by Parliament, and without the sanction of the Treasury having been given.

"Your Committee desire to associate themselves with the opinion expressed in the Treasury Letter, No. 40, on page 176 of these Accounts, that 'it is of great importance that estimates of cost submitted for Parliamentary sanction should be such as the House of Commons can accept as final,' that the executive branches connected with these engineering services should be more accurate in their initial estimates, and more careful that the prices charged correspond with existing prices, so that there may not be excesses of 149 per cent., of 70 per cent., and of 66 per cent. in a single year upon three works.

"Your Committee desire to deprecate in the strongest manner any diversion of Parliamentary funds without Treasury sanction.

Q. 1435-1443. "8. A payment of 4,890*l.* under Vote 6 appears to have been made to the owners of the ss. 'Lusitania,' being one month's hire, which had been engaged by the Imperial Yeomanry as a transport, and was subsequently found by the Admiralty to be unsuitable for the conveyance of troops.

"Your Committee are of opinion that this expense might have been saved had the duty of inspecting the transports before hiring been performed by the Admiralty and not delegated to an inexperienced committee.

"Occupation of the Bethnal Green Militia Barracks by the Committee of St. John's National Schools, Bethnal Green.

Q. 1465-1519, 1715-1726. Appendix, No. 6. "9. A long correspondence, printed in the Appendix, and an angry controversy has taken place on the subject of the occupation of these barracks by the St. John's Schools, which lasted from March 1899 to March 1900. The Treasury demanded a rental covering the ground rent of 90*l.* per annum, the payment of all rates, and the cost of a caretaker. The committee, on the other hand, thought that they should be allowed to occupy the barracks rent free, on the ground that the building was used for educational and religious purposes, and that they were already heavily burdened by other expenses. In a letter, however, of the 10th of May 1899, the committee expressed through their secretary, their willingness to pay 50*l.* per annum as rent. Your Committee desire, in the first place, to express their concurrence with the Treasury in regretting that the War Office allowed the School Committee to occupy a part of the barracks, leaving the settlement of terms for subsequent arrangement.

"They cannot in any way admit the plea urged by the School Committee, that they ought to be excused rent on the grounds urged, inasmuch as the Schools are in receipt of assistance from the State, and your Committee are not of opinion that any Department should allow public buildings in their charge to be occupied rent free.

"Your Committee desire further to express their strong disapprobation of the language used by Lord Hugh Cecil in his letter of the 2nd of April 1900, where he says, 'I need scarcely add that I think the attitude of the War Office has been unreasonable and niggardly; that I maintain absolutely that they ought to have admitted us rent free from the first, and that I resent the letter which you communicated to me two days ago, requiring us to vacate the barracks.'

"Your Committee, while not agreeing with the contention that the War Office could not legally have substantiated their claim, are of opinion that the best course has been taken by them in accepting the sum of 50*l.*, which has now been paid by Lord Hugh Cecil, on behalf of the committee, for the use of the barracks.

"STORE ACCOUNTS OF THE ARMY.

"10. No question requiring special notice arises on these Accounts.

"MILITARY WORKS ACTS ACCOUNTS.

"11. No observations arise on these Accounts.

"BARRACKS ACT ACCOUNTS.

Q. 1673-1712. "12. In connection with the conversion of Woking Prison into an artillery barrack, the War Office had occasion to acquire about 7½ acres of land, the price asked for which was 2,533*l.* The War Office were only prepared to give 2,000*l.*, and the land, with about 2½ acres added at the instance of the vendor, was taken under compulsory powers, the arbitration award for the whole area being 6,839*l.*

"Your Committee are of opinion that this result was brought about mainly by the delay consequent upon the Treasury Solicitor not understanding the instructions he received from the War Office in December 1896, to the effect that the land to be acquired was to be used for the erection of barracks. He did not discover this till June 1897, when the steps taken under the Defence Act were abandoned, and proceedings commenced under the Military Lands Act of 1892. It was then too late to obtain the special Act required by the procedure under that Act, and consequently a further delay took place till the following year. Meanwhile the property had changed hands, and a brickfield set up in the vicinity, which greatly enhanced its value.

"Your Committee are of opinion that an accurate précis of the circumstances should accompany the letters instructing the Treasury Solicitor to proceed in any legal matter on behalf of the War Office, and that where the difference between the price offered and the price which would be accepted is so small, the chances of an appreciation of value in the land during the necessary legal delay should be considered before compulsory purchase is resorted to.

"CHELSEA HOSPITAL ACCOUNT.

"ROYAL ARMY CLOTHING FACTORY ACCOUNT.

13. No points calling for observation arise on these Accounts.

"ARMY ORDNANCE FACTORIES APPROPRIATION ACCOUNT.

"14. Your Committee have to observe that expenditure outside the repayment services was Q. 1750-1779 incurred upon the Ordnance Factories for 1899-1900, without the sanction of any Vote of Parliament, which was not taken till the 4th of August in the latter year.

"Your Committee have called attention to this irregularity before, and desire again to express to Parliament their opinion of the desirability of remedying this irregularity by taking the necessary Vote in March.

"ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES.

"15. The value of the output, including semi-manufacture, amounted to 3,551,565*l.*, a sum Q. 1782 exceeding the average of the last three years by 537,609*l.*

"16. In reference to paragraph 12 of the Second Report of the Public Accounts Committee of Q. 1785-1788 last year, it has not been found possible to transfer the Accounts of the Building Works Department to the Central Office, and the existing duplication of account keeping will be maintained until the question of decentralisation is settled.

"Your Committee agree that this is unavoidable.

"17. Your Committee find from the Comptroller and Auditor General's Report that in the past Q. 1819-1826 12 years 146,567*l.* of the sum written off as depreciation on machinery had been applied in aid of Capital Expenditure on Buildings. They are glad to learn, as the result of an inter-departmental Committee, that the extension of buildings out of funds properly applicable to the maintenance of machinery in a thoroughly serviceable and up to date condition is to cease, and that no diversion of savings upon machinery can be devoted to building, or *vice versa*, without Treasury sanction."

Question, "That this Report be read a second time, paragraph by paragraph"—put, and *agreed to*.

Paragraph 1, amended, and *agreed to*.

Paragraph 2, *agreed to*.

Paragraph 3.

Amendment proposed in line 17, to leave out the words "do not"—(Mr. Austen Chamberlain).—Question put, "That the words 'do not' stand part of the paragraph."—The Committee divided:

Ayes, 4.

Mr. Cohen.

Mr. Goddard.

Sir W. Brampton Gurdon.

Mr. Herbert Lewis.

Noes, 6.

Mr. Baldwin.

Mr. Banbury.

Mr. Austen Chamberlain.

Mr. Cameron Corbett.

Sir Robert Mowbray.

Mr. Pym.

Another Amendment proposed in line 17, to leave out the words "concur in this view" in order to insert the words "whilst acknowledging that these payments were necessary under existing circumstances, consider that they should not be made in the future without Parliamentary sanction, and that provision for such services should be made by a token vote or otherwise, under a new heading.

heading in the Army Vote"—(Sir Robert Mowbray)—instead thereof.—Question, "That the words 'concur in this view' stand part of the paragraph."—The Committee divided:

Ayes, 4.
Mr. Baldwin.
Mr. Banbury.
Mr. Austen Chamberlain.
Mr. Cameron Corbett.

Noes, 6.
Mr. Cohen.
Mr. Goddard.
Sir W. Brampton Gurdon.
Mr. Herbert Lewis.
Sir Robert Mowbray.
Mr. Pym.

Question, "That the proposed words be there inserted,"—put, and *agreed to*.

Another Amendment proposed to leave out all the words from the word "they" in line 17 to the end of the paragraph.—(Mr. Austen Chamberlain).

Question, "That the words proposed to be left out stand part of the paragraph,"—put, and *negatived*.

Question put, "That the paragraph, as amended, stand part of the Report."—The Committee divided:

Ayes, 5.
Mr. Cohen.
Mr. Goddard.
Sir W. Brampton Gurdon.
Mr. Herbert Lewis.
Sir Robert Mowbray.

Noes, 4.
Mr. Baldwin.
Mr. Banbury.
Mr. Austen Chamberlain.
Mr. Cameron Corbett.

Paragraph 4, amended, and *agreed to*.

Paragraph 5.

Two amendments made.

Another Amendment proposed, in line 15, after the words "but that" to insert the words "he should have contracted at different prices for frozen meat and fresh meat and that"—(Mr. Banbury).—Question put, "That those words be there inserted."—The Committee divided:

Ayes, 5.
Mr. Banbury.
Mr. Cohen.
Sir Thomas Esmonde.
Mr. Goddard.
Mr. Herbert Lewis.

Noes, 4.
Mr. Baldwin.
Mr. Austen Chamberlain.
Mr. Cameron Corbett.
Sir W. Brampton Gurdon.

Another Amendment proposed, to leave out all the words from the word "and," in line 16, to the end of the paragraph.—(Mr. A. Chamberlain).—Question, "That the words proposed to be left out stand part of the paragraph,"—put, and *negatived*.

Paragraph, as amended, *agreed to*.

Paragraph 6, *agreed to*.

Paragraph 7, amended, and *agreed to*.

Paragraph 8.

Amendment proposed, in line 5, to leave out all the words from the word "this" to the end of the paragraph, in order to insert the words "it would have been better to have entrusted the Admiralty with the whole of the sea transport"—(Mr. Banbury)—instead thereof.—Question, "That the words 'this expense might have been saved had the duty of inspecting the transports before hiring been performed by the Admiralty,' stand part of the paragraph,"—put, and *agreed to*.

Another Amendment proposed, in lines 6 and 7, to leave out the words "and not delegated to an inexperienced committee"—(Mr. Banbury).

Question put, "That the words proposed to be left out stand part of the paragraph."—The Committee divided:

Ayes, 4.
Sir Thomas Esmonde.
Mr. Goddard.
Sir W. Brampton Gurdon.
Mr. Herbert Lewis.

Noes, 4.
Mr. Baldwin.
Mr. Banbury.
Mr. Austen Chamberlain.
Mr. Cohen.

Whereupon the Chairman declared himself with the Ayes.

Paragraph *agreed to*.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 10th July 1901.

MEMBERS PRESENT:

Sir ARTHUR HAYTER in the Chair.

Sir W. Brampton Gurdon.
Mr. Gibson Bowles.
Mr. Brodie Hoare.
Mr. Banbury.
Mr. Guy Pym.
Mr. Goddard.

Sir Robert Mowbray.
Mr. Cameron Corbett.
Mr. Herbert Lewis.
Mr. Baldwin.
Mr. Austen Chamberlain.

The Civil Service Accounts, Class IV., 3—9, 11—end; Class V., Vote 4; Class VI., Votes 1—4, 6—end; Class VII.; the Inland Revenue Accounts; and the Accounts of the Treasury Chest; Local Loans Fund; Civil Contingencies Fund; Consolidated Fund; Uganda Railway; and Royal Niger Company, were considered.

Sir E. Hamilton, K.C.B., Mr. D. C. Richmond, Mr. Collins, Mr. A. Stair, and Mr. C. A. King were examined.

THIRD REPORT, further considered.

Paragraph 9:

Three Amendments made.

Another amendment proposed, in lines 13 and 14, to leave out the words "inasmuch as the schools are in receipt of assistance from the State, and"—(Mr. Gibson Bowles).—Question, "That the words proposed to be left out stand part of the paragraph,"—put, and *negatived*.

Two other Amendments made.

Another Amendment proposed, to leave out all the words from the word "Your" in line 16, to the word "barracks" in line 20 (both inclusive)—(Mr. Austen Chamberlain).—Question put, "That the words 'Your Committee' stand part of the paragraph."—The Committee divided:

Ayes, 4.

Mr. Gibson Bowles.
Mr. Goddard.
Sir Brampton Gurdon.
Mr. Herbert Lewis.

Noes, 7.

Mr. Baldwin.
Mr. Banbury.
Mr. Austen Chamberlain.
Mr. Cameron Corbett.
Mr. Brodie Hoare.
Sir Robert Mowbray.
Mr. Pym.

Question, "That all the words from the word 'desire,' in line 16, to the word 'barracks,' in line 20 (both inclusive) stand part of the paragraph,"—put, and *negatived*.

Another Amendment proposed, in line 21, to leave out all the words from the word "while" to the word "claim" in line 22, both inclusive—(Sir R. Mowbray).—Question, "That the words proposed to be left out stand part of the paragraph,"—put, and *negatived*.

Another Amendment made.

Another Amendment proposed, in line 22, after the word "that" to insert the words "under the circumstances"—(Mr. Gibson Bowles).—Question, "That those words be there inserted,"—put, and *agreed to*.

Two other Amendments made.

Paragraph, as amended, *agreed to*.

Paragraphs 10 and 11, *agreed to*.

Paragraph 12:

Amendment proposed, in line 6, to leave out the word "result" in order to insert the words "increase of expenditure"—(Mr. Gibson Bowles)—instead thereof.—Question, "That the word 'result' stand part of the paragraph,"—put, and *negatived*.

Question, "That the proposed words be there inserted,"—put, and *agreed to*.

Another Amendment made.

Another Amendment proposed, in line 14, to leave out all the words from the word "Your" (inclusive) to the end of the paragraph—(Mr. Brodie Hoare).—Question, "That the words proposed to be left out stand part of the paragraph,"—put, and *negatived*.

Paragraph, as amended, *agreed to*.

Paragraphs 13—16, *agreed to*.

Paragraph 17:

Amendment proposed, in line 4, after the word "machinery" to insert the words "and buildings"—(Mr. Brodie Hoare).—Question, "That the words 'and buildings' be there inserted,"—put, and *agreed to*.

Two other Amendments made.

Paragraph, as amended, *agreed to*.

Question, "That the Report, as amended, be the Third Report of the Committee to the House,"—put, and *agreed to*.

Ordered, to Report.

[Adjourned till Wednesday, 24th July, at Three o'clock.

Wednesday, 24th July 1901.

MEMBERS PRESENT:

Sir ARTHUR HAYTER in the Chair.

Mr. Cohen.
Mr. Austen Chamberlain.
Sir R. Mowbray.
Mr. Brodie Hoare.

Sir W. Brampton Gurdon.
Mr. Baldwin.
Mr. Banbury.
Mr. Gibson Bowles.

FOURTH DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows:—

"CIVIL SERVICE APPROPRIATION ACCOUNTS, 1899-1900.

Q. 2086-
2090.

"1. On Vote 12, Class I., Sub-head G., there is a charge of 10,000*l.* for the Metropolitan Fire Brigade. This represents the contribution which the Government paid, when they did not pay full rates. Since adequate rates are now paid on Government property, your Committee are of opinion that the Treasury should reconsider the propriety of making this payment.

Q. 2330-
2338.

"2. On Vote 5, Class II., the Foreign Office, the question of retaining a Queen's Foreign Service Messenger up to the age of 76 was discussed by your Committee. It appeared to have been held that the Diplomatic and Consular Service did not come under the Order of Council governing retirement. This has now been altered by the Order in Council of 1898, and the Foreign Office Messengers will retire at 65.

Q. 2353-
2355

"3. On Class V., Vote 1, your Committee recommend the omission from the Accounts of a long list of places where expenditure of small sums has been incurred, or fees received.

Q. 2382-
2403. 2468-
2474.

"4. On the Colonial Office Vote, a question arose respecting a telegram sent by a private individual to South Africa, the payment for which could not be recovered from him. This was found to be a solitary instance of non-payment, but the general rule of the Colonial Office is to allow a telegram to be forwarded at the expense of a private individual in such cases in which, had time not pressed, it would have been considered legitimate to forward a despatch as being in connection with a matter of grave public nature.

Q. 2515-
2519.

"5. On Vote 2, Class V., Uganda, the sum of 13,900*l.* is charged to the Head of Rebellion and Mutiny. This sum represents expenditure for pay of troops, transport, and miscellaneous charges. For this accounts were kept, but the vouchers were subsequently lost during the mutiny, and some of the money was looted by the mutineers. The Accounting Officer has reported that after every exertion it has been found impossible to obtain the necessary particulars to enable a statement to be compiled. In this your Committee concur.

Q. 2520-
2523.

"6. They also desire to express their opinion that in the case of small payments to natives, vouchers need not be produced, but the certificate of the responsible officer that the money has been expended will be sufficient.

"7. On

"7. On the Vote for the Royal Irish Constabulary, the Comptroller and Auditor General Q. 2536-2553 referred to the case of a pensioner who is insane, and not being a civil servant the Treasury held that they could not make payments to his next of kin. Your Committee recommend that this pension should be passed, and that the brother of the lunatic, who supports him, should receive it.

"8. Sir E. Hamilton handed in a Memorandum upon Broadmoor Criminal Lunatic Asylum.

Q. 2290-2303. 2716-2717.
Appendix,
No. 7.

"REVENUE DEPARTMENTS.

"TREASURY CHEST.

"LOCAL LOANS FUND.

"UGANDA RAILWAY ACT.

"CIVIL CONTINGENCIES FUND.

"CONSOLIDATED FUND.

"9. No observations arise on these Accounts.

"ALLEGATIONS AS TO SALE OF ADMIRALTY STORES.

"10. Your Committee, in the course of its sittings, received a letter from Mr. James Fitzalan Hope, M.P. for the Brightside Division of Sheffield, containing certain allegations relating to the sale of what are known as Naval Stores. The exact allegation was that either in the years 1898, 1899, or 1900 certain stores were bought in the month of March, not for the purpose of being used in the public service, but to serve some ulterior purpose, because, in the course of the month following their purchase, they were sold as old stores at less than half their price. Q. 992-1041. 1295-1332. 1520-1531. 1713-1714.

"11. The Comptroller and Auditor General, at the request of your Committee, made an exhaustive inquiry into the sale of Naval Stores by the Admiralty during the months and in the years specified by the honourable Member.

"12. He reported that sales of Naval Stores can only take place as the result of a condemnation by a Board of Survey. All the reports to hand were examined by the Audit Officers, and they found no trace in any of the years of such treatment of Stores as Mr. Hope suggested. The Comptroller and Auditor General also reported that every case of condemnation of Stores passes through the hands of six officers at different times, including some very highly-placed officials at the Admiralty. At the request of the Committee the Comptroller and Auditor General subsequently examined more than half of the whole of the Victualling Stores for the three years in question, and reports that he found 'absolutely nothing which in any way tallies with the allegations the Committee have had under consideration.' The Comptroller and Auditor General completed his examination of the Victualling Stores, the Naval Stores, and the Building Works Stores, and reported that not only were the allegations made not found to be substantiated in any of three years, but that the safeguards which surround the sale of all Admiralty Stores are such as to render any irregularity in the last degree improbable, and if anything of the kind suggested occurred, it would infallibly be brought to light during the audit of his Department.

"13. Mr. Hope, M.P., appeared before the Committee on the 1st of May, and stated that he desired unreservedly to withdraw his allegation, and to express his regret at having made it."

Question, "That this Report be read a second time, paragraph by paragraph,"—put, and agreed to.

Paragraph 1, amended, and agreed to.

Paragraphs 2 and 3, agreed to.

Paragraphs 4—7, amended, and agreed to

Paragraph 8, disagreed to.

Paragraph 9, agreed to.

Paragraph 10:

Amendment proposed, in line 1, to leave out all the words from the words "a letter" (inclusive) to the end of the paragraph, in order to insert the following words: "from Mr. James Fitzalan Hope, M.P. for the Brightside Division of Sheffield, a copy of a letter, dated 1st March 1901, addressed by him to Mr. Clinton Dawkins' Committee on War Office Re-organisation, in which he advocated a change in the system of dealing with unexpended balances at the close of the financial year. Mr. Hope's contention was that the desire on the part of Departments to avoid the surrender of unexpended balances led to wasteful expenditure. In support of his argument Mr. Hope mentioned that he had been informed that in one instance (stated to be of regular occurrence) the identical goods ordered by the Admiralty in March at 2s. per unit were sold as old stores in April at less than 8d."—(Mr. Brodie Hoare)—instead thereof

Question,

Question, "That the words proposed to be left out stand part of the paragraph,"—put, and *negatived*.

Question, "That the proposed words be there inserted,"—put, and *agreed to*.

Paragraph, as amended, *agreed to*.

Amendment proposed, that the following new paragraph be inserted in the Report: "Your Committee felt it to be their duty thoroughly to investigate this allegation, and at their request Mr. Hope appeared before them on the 1st of May to give evidence. He then stated that he found himself unable to prove the case, and under these circumstances he desired unreservedly to withdraw his allegation and to express his regret at having made it"—(Mr. *Austen Chamberlain*).—Question, "That this paragraph be inserted in the Report,"—put, and *agreed to*.

Paragraphs 11 and 12, amended, and *agreed to*.

Paragraph 13, *disagreed to*.

Question, "That this Report, as amended, be the Fourth Report of the Committee to the House,"—put, and *agreed to*.

Ordered, to Report, together with Minutes of Evidence and an Appendix.

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Wednesday, 6th March 1901.

MEMBERS PRESENT :

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Cameron Corbett.

Mr. Goddard.
Sir Brampton Gurdon
Sir Arthur Hayter.
Mr. Brodie Hoare.
Sir Robert Mowbray.
Mr. Pym.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Sir EDWARD W. HAMILTON, K.C.B., and Mr. FRANCIS PHILLIPS, called in; and Examined.

Chairman.

1. (To Sir *E. W. Hamilton*.) You appear on behalf of the Treasury?—I do.
2. (To Mr. *Phillips*.) In the absence of the

Chairman—continued.

Comptroller and Auditor General, I believe you represent him as Assistant Comptroller and Auditor General?—I do.

CIVIL SERVICES, 1899-1900.

STATEMENT OF EXCESSES.

On CLASS I.

VOTE 2.

PETERHEAD HARBOUR.

Chairman.

3. (To Sir *E. W. Hamilton*.) The questions with which the Committee have to deal to-day relate to certain excesses set out in this Statement of Excesses, the first of which is an excess of two guineas upon the Vote for Peterhead Harbour. The observations upon the Vote for Peterhead Harbour are to be found upon page 93 of the Appropriation Accounts. This small excess of two guineas is, I understand, merely a matter of miscalculation?—I believe that to be the case. The Accountant General of the Navy is to be here, but I am afraid he is not in the room at the moment.

4. You see nothing special in this small 0.14.

Chairman—continued.

excess which need be remarked upon by the Committee?—No. It is very small.

Mr. Cohen.

5. I see the explanation given here is that "It was not anticipated at the time the Supplementary Estimates were prepared that the total Vote would be exceeded." I suppose that would always be so in a case of this sort when the Supplementary Estimates are prepared, would it not?—Certainly.

6. I should have thought so, but I did not know whether there was anything exceptional here?—No, there is nothing exceptional.

A

7. (To

6 March 1901.]

Sir E. W. HAMILTON, K.C.B., and Mr. PHILLIPS.

[Continued.]

Class I.—CIVIL SERVICES, 1899–1900.

Vote 2.—Peterhead Harbour—*continued*.*Chairman.*

7. (To Mr. Phillips.) Have you any observation to offer upon this point?—None.

On VOTE 12.

RATES ON GOVERNMENT PROPERTY.

Chairman.

8. (To Sir E. W. Hamilton.) The next excess is on Vote 12 "Rates on Government Property," which the Committee will find on page 95 of the

Class I.—CIVIL SERVICES, 1899–1900.

Vote 12.—Rates on Government Property—*continued*.*Chairman—continued.*

Appropriation Accounts. The excess in this case is 30*l.* 9*s.* 6*d.*; I understand that the excess on this Vote is due to general increases in the rates, to contributions in respect of new property, and to increases on re-valuation of certain Government buildings?—It is really in respect of a special payment in Jamaica in regard to Government property there. The Inspector of Rates is here himself if you would like to hear what he has to say upon the subject.

Mr. R. J. THOMPSON, called in; and Examined.

Chairman.

9. WILL you explain how this excess has been caused?—The excess is caused by a contribution of 50*l.* towards the Sewers Rate at the Camp at Kingston, Jamaica. This is the first payment of the kind. In September 1898 the Treasury authorised 50*l.* for this service. The first payment was to be made 12 months after the local authorities, the Commissioners there, had made the connection with their sewers. We did not know when the payment would come into account, and when we took our estimate we did not provide for this contribution of 50*l.* Some six months after our Vote closed, in March last year, notification of this payment was received by the Accounting Officer. It had been paid out of the Treasury Chest, and having been paid in the previous year it fell as a charge upon last year's Vote and so made an excess upon our Account.

Mr. Austen Chamberlain.

10. I understand the connection with the sewers had been made?—Yes, 12 months before.

11. All the conditions for payment had been fulfilled?—Yes.

[Mr. Thompson withdrew.]

On CLASS VI.

VOTE 4.

HOSPITALS AND CHARITIES, IRELAND.

Chairman.

12. (To Mr. Phillips.) The next case is an excess of 4*l.* 9*s.* 2*d.* on Vote 4, Hospitals and Charities, Ireland, the Account for which will be found at page 490 in the Appropriation Accounts. I apprehend that this small excess of 4*l.* 9*s.* 2*d.* was caused by the death of a foundling, and that it really represents the funeral expenses; is that so?—That is so.

13. Have you any other remark to make upon this excess?—I have no further remark to make; it is a purely accidental circumstance. This foundling died and the funeral expenses had to be defrayed, and they caused the small excess under Sub-Head H., Invalid Foundlings, of 6*l.* 8*s.* 2*d.*, which you will see on page 490.

Sir Brampton Gurdon.

14. This is one of the charges in course of diminution, is it not?—Yes; all those charges below Sub-Head E. on that page are in course of diminution.

REVENUE DEPARTMENTS.

VOTE 3.

POST OFFICE.

Chairman.

15. (To Mr. Phillips.) The next excess is a large one, namely 3,650*l.* 7*s.* 3*d.* on the Post Office Vote, the summary of which will be found on page 563 of the Appropriation Accounts. This being the Post Office Vote, I suppose this excess has been mainly occasioned by the almost impossibility of having perfectly accurate accounts from so many different centres is that

Chairman—continued.

so?—That is quite so. In fact, I may say I think it is really wonderful that the result comes out so close to the anticipated expenditure. There was anticipated expenditure of 8,677,585*l.*, and the actual expenditure was 8,681,235*l.* 7*s.* 3*d.* This difference of 3,650*l.* 7*s.* 3*d.* is really a very small item as compared with the very large sums granted for this service.

16. The

6 March 1901.]

Sir E. W. HAMILTON, K.C.B., and Mr. PHILLIPS.

[Continued.]

REVENUE DEPARTMENTS.

Vote 3.—Post Office—continued.

Chairman—continued.

16. The extraordinary accuracy of this account was testified to by the Public Accounts Committee, was it not?—It was. The Chairman congratulated the Accountant General of the Post Office on the accuracy of the accounts.

17. In this case I presume you deduct the 3,650*l.* from the surplus of Appropriations in Aid; you get a Vote to cover the excess, and then you surrender to the Exchequer the difference, 11,038*l.*?—It may be done in one of two ways. There might be an excess Vote of 3,650*l.* 7*s.* 3*d.*, or there might be a token Vote taken for a small sum, and the sanction of Parliament given for the appropriation of so much of the surplus balance of Appropriations in Aid as would make up with the token Vote the sum of 3,650*l.* 7*s.* 3*d.* That is rather a matter for the Treasury than for the Audit Department.

18. (To Sir E. W. Hamilton.) In this case, I understand, you desire to take an excess Vote for the net amount here?—Yes, to appropriate in aid some of the surplus receipts and merely to take a nominal sum from Parliament.

Mr. Austen Chamberlain.

19. It is proposed to take an excess Vote for 10*l.*?—Yes, to go to Parliament for 10*l.*

Mr. Gibson Bowles.

20. (To Mr. Phillips.) This is wholly a matter of Appropriations in Aid, is it not?—It is simply this: that the Appropriations in Aid happen to exceed the anticipated amount—

21. It is wholly a matter of Appropriations in Aid, is it not?—I should hardly say that.

22. Then I am afraid I do not understand the note at the bottom of page 2 of this Statement; as I understand the note it amounts to this: that the receipts for Appropriations in Aid exceeded the Estimate by 339*l.* and odd, 14,688*l.* and odd, and 24*l.* and odd; am I right in that?—Yes.

23. So that the whole excess would amount to something over 15,000*l.*; is that so?—No, I think not. (Sir E. W. Hamilton.) If the honourable Member will refer to page 563 of the Appropriation Accounts he will see that the "surplus of Appropriations in Aid realised" was 14,688*l.* 7*s.* 2*d.*

24. They realised that amount more than was anticipated?—Yes.

25. That is what I am saying. (To Mr. Phillips.) Am I not right in my understanding of the note at the bottom of page 2 of this Statement of Excesses?—This Statement of Excesses was not before me; I have it now.

REVENUE DEPARTMENTS.

Vote 3.—Post Office—continued.

Mr. Gibson Bowles—continued.

26. If you will read the note at the bottom of page 2 you will see it says that "the receipts (Appropriations in Aid) exceeded the estimate by 339*l.* 2*s.* 10*d.*, 24*l.* 16*s.* 4*d.*, and 14,688*l.* 7*s.* 2*d.*?—Yes. (Sir E. W. Hamilton.) That is under the three headings. The surplus receipts in regard to the Post Office Vote are 14,688*l.* 7*s.* 2*d.* (Mr. Phillips.) I do not know anything about the two sums of 339*l.* 2*s.* 10*d.* and 24*l.* 16*s.* 4*d.* which are referred to in that note.

Mr. Austen Chamberlain.

27. Do they not refer to the earlier Votes; you observe that every Vote is starred in the last column but one?—That is so. They do not refer to the Post Office Vote which we are now considering.

Mr. Gibson Bowles.

28. That however leaves the point which I am coming to just the same; taking the Post Office Vote alone the surplus balance of Appropriations in Aid is 14,688*l.*, is it not?—Yes.

29. Am I right in understanding that it is proposed that a portion of that should be voted, namely 10*l.*; is that so?—That is the case.

30. And then the balance will go into the Exchequer as a surrendered balance?—The difference between the 10*l.* and the 3,650*l.* 7*s.* 3*d.* will be taken out of this surplus of 14,688*l.* 7*s.* 2*d.*

Sir Brampton Gurdon.

31. Leaving a surplus balance of 11,047*l.* 19*s.* 11*d.*?—Yes.

Mr. Brodie Hoare.

32. In point of fact the receipts exceeded the extra expenditure, but with a view of bringing the matter before the House you take a rather smaller amount and show 10*l.* as the nominal sum to be voted?—Quite so.

Chairman.

33. (To Sir E. W. Hamilton.) Do you see any objection to Votes being recommended for all these four excess sums?—No objection at all.

33*. I believe you have some papers to hand in?—Yes. I beg to hand in two Treasury Minutes on the Reports of the Committee of Public Accounts of last year, and also the usual "Comparison of Audited Expenditure with Exchequer Issues" and "General Abstract of Appropriation Accounts for the year 1898–99" (*handing in the same*).

[The Witnesses withdrew.]

Wednesday, 13th March 1901.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.

Sir Brampton Gurdon
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray
Mr. Pym.

MR. GIBSON BOWLES IN THE CHAIR.

MR. FRANCIS PHILLIPS and MR. ROBERT CHALMERS, C.B., called in; and Examined.

NAVY APPROPRIATION ACCOUNT, 1899-1900.

MR. RICHARD DAVIS AWDRY, C.B., called in; and Examined.

Chairman.

34. (To Mr. Phillips.) Is there any special point to which you wish to draw our attention to-day beyond what is contained in the Report of the Comptroller and Auditor General?—I think not. May I say the Comptroller and

Chairman—continued.

Auditor General extremely regrets not being able to be present at the meeting of the Committee to-day; he is confined to his house by illness.

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Chairman.

35. (To Mr. Awdry.) The Comptroller and Auditor General's Report on page 193 calls attention to the fact that the "Gross Expenditure for the year amounted to 26,979,944*l.*, leaving an excess of estimated over actual Gross Expenditure of 598,094*l.* 4*s.* To this surplus a sum of 265,185*l.* 6*s.* 6*d.* is to be added for excess of actual over estimated Appropriations in Aid." The excess of the actual over estimated Appropriations in Aid is set forth in detail at pages 8 to 11?—That is so.

36. There is one item that strikes me on page 8, namely, Vote 2 "Victualling and Clothing for the Navy." The Appropriations in Aid were estimated to be 445,012*l.*, whereas they realised 539,419*l.* 5*s.* 11*d.*, that is to say, there is an amount realised more than estimated of 94,407*l.* 5*s.* 11*d.*?—That is so.

37. The explanation of that surplus is given on page 17, namely, that it is "due to larger recoveries from other Departments, principally the War Office, in increased percentage on supplies" and so on?—Yes.

Sir Brampton Gurdon.

38. You surrender 863,279*l.* 10*s.* 6*d.* on the balance?—Yes.

Chairman.

39. In paragraph 2, the Comptroller and Auditor General says: "The two striking features of this Abstract Account are (a) the very large under-expenditure on Vote 8—III., Contract Work, amounting to 1,489,720*l.* 16*s.* 8*d.* (net) or about 23 per cent. on the estimate; and (b) the very large excess-expenditure on Vote 8—II. Material, amounting to 683,862*l.* 14*s.* 7*d.* (net), or about 18 per cent. on the estimate." These are very large sums; have you any explanation to give beyond what we have here as regards the under-expenditure under Vote 8?—I have nothing to say beyond the facts given. It was set forth in the First Lord's statement to the House last year. He gave the reasons and expressed regret that the outside shipbuilding world had not come up to their promises. I may say further, in regard to arrears and in regard to the question of penalties, which will come up hereafter, that the First Lord has appointed an important Committee to consider the

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Mr. PHILLIPS, Mr. CHALMERS, C.B., and Mr. AWDRY, C.B.

[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Chairman—continued.

the question of the output from shipbuilding yards and generally the questions of contracts and the enforcement of penalties. That Committee are sitting at the Admiralty and it is hoped that their action will lead to our getting more work from the shipbuilders than we have heretofore done. I may say that this year not only shall we spend the money which we expected to spend in shipbuilding at outside yards, but we have taken a supplemental estimate for a little more.

40. When you say "this year" you mean this financial year?—Yes, this financial year.

Sir Brampton Gurdon.

41. Is the Committee to which you have just referred the Committee mentioned in the Statement of the First Lord of the Admiralty?—Yes, it is a Committee presided over by Mr. Arnold Forster, the other Members of the Committee being Admiral Wilson, Sir Thomas Sutherland, and Sir Francis Evans, M.P.

Chairman.

42. Am I right in saying that one of your great difficulties has been that you have not felt able to enforce penalties?—Yes, that has been a difficulty.

43. Have you ever considered whether instead of enforcing a penalty for failure you might not give a premium for success; that is to say, whether instead of paying a maximum price to be reduced in case of failure, you might not have a minimum price to be increased in case of success?—I know that that point will be considered by the Committee to which I have referred; it is a very important one, and one which certainly ought to be considered.

Sir Brampton Gurdon.

44. These immense under-expenditures ought to be accompanied by an increase of receipts on account of penalties, but I gather your penalties fail there; they do not really increase your actual receipts?—That is so; but even if they did, the penalties would make a very small diminution on this large amount unspent.

APPROPRIATIONS IN AID.

45. In paragraph 3 the Comptroller and Auditor General says that: "The excess of actual over estimated Receipts in Aid amounts to 965,185*l.* 6*s.* 6*d.*, as mentioned in paragraph 1, and is the aggregate of surpluses realised on every Navy Vote (*see* pages 8-10);

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Appropriations in Aid—*continued.**Sir Brampton Gurdon—continued.*

The largest surpluses occur on Vote 2 (94,407*l.* 5*s.* 11*d.*) and Vote 8—II. (120,088*l.* 17*s.* 4*d.*); that, of course, is a very large sum; had you no idea that your estimate on Vote 2 would be exceeded by nearly 100,000*l.*?—No, because we had no idea that the War Office would take these stores from us for the war.

46. Do the proceeds of sale of unserviceable stores form any great part of that?—I should think quite a small percentage of it.

47. Then in regard to Vote 6, Scientific Services, there seems to be a very large proportional increase in the Appropriations in Aid; have you had a very considerable increase in the sale of charts?—Yes, a considerable increase.

48. Then in regard to Section II. of Vote 8, there is an enormous increase in the Appropriations in Aid; is that due to the same reason as applied to Vote 2, that the War Office have taken more?—Yes, that is the major reason.

49. According to the explanation on page 33, it is also partly due to "increased receipts from sales of old ships, stores, and machinery"; does that form any considerable part of it?—Not a considerable part; it forms some part.

50. There are two more Votes upon which there is a considerable proportionate increase in the Appropriations in Aid, namely, Vote 9 and Vote 10; have you any particular points to bring before us with regard to them?—No. With regard to Vote 9, the increase was due to a considerable sale of stores, more than was contemplated. Those are not cases of repayment by the War Office. The sale of old stores in that case was the major consideration.

51. That was very considerable, was it?—Yes.

52. Were they damaged or unserviceable stores, or what?—They were unfit for the service.

53. From their becoming obsolete?—Partly, and from altered patterns.

54. Were they big guns?—I do not think big guns fetch anything; they cost so much to break up.

55. It appears to come under the head of "Naval Ordnance Stores"; were they chiefly guns that had to be got rid of?—Perhaps you would allow Colonel Pease to answer the question?

Colonel THALES PEASE, C.B., Examined.

Sir Brampton Gurdon.

56. Were these sales which are referred to on page 37, at Sub-Head M., chiefly of old guns that had to be got rid of?—No, they were principally brass cases which had been used for cartridges. After they have been fired once or twice they are unfit for refilling; and being metal they fetch a good price.

Mr. Austen Chamberlain.

57. They realised an unusually high price, I presume, on account of the state of the market?—They realised an unusually high price on account of the state of the market. There were more for sale last year than was originally estimated would be condemned.

58. When

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Mr. PHILLIPS, Mr. CHALMERS, C.B., Mr. AWDRY, C.B., and
Colonel PEASE, C.B.

[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Appropriations in Aid—continued.

Mr. Austen Chamberlain—continued.

58. When prices are high you would naturally sell as many as you could?—Yes.

59. Whereas if prices were very low you would incline to hold them over for a better market?—That is the course which is always pursued; the market is watched.

Colonel E. RABAN, R.E., Examined.

Sir Brampton Gurdon.

61. CAN you give us any explanation with regard to this large increase in the amount of Appropriations in Aid realised under Vote 10, viz., 22,595*l.* as compared with 11,730*l.* estimated?—Out of the 10,000*l.*, 6,000*l.* is simply due to a change in the method of accounting. Certain arisings that used to be credited to the work are included here as Appropriations in Aid. If old materials arising in the course of the work were returned to store they used to be credited to the work. There was considerable discussion as to how to treat these arisings, and it was decided that they should be appropriated as Appropriations in Aid instead of being credited to the work. It is simply shifting credit from one part of the vote to the other.

62. It is merely a matter of account?—That is all.

Mr. Austen Chamberlain.

63. As I understand, what happened was this: supposing you were to re-roof a building, before this change of account, if you stripped the old lead from the roof and sold it, you diminished the cost of the re-roofing by the amount of that receipt?—Yes.

64. But after this change of account you charged as the cost of re-roofing the whole cost of the work, and then appropriated the amount received from the sale of the old lead as an Appropriation in Aid?—Yes. I may say that the system has just been altered back again; at least we are seeking Treasury approval to that being done.

Chairman.

65. Was this new system of accounts which involves placing so large an amount as 6,000*l.* as an Appropriation in Aid, instead of dealing with it in the usual manner, introduced after consultation with the Treasury?—It was adopted after consultation with the Treasury; you may remember that last year this Committee ordered a Committee to meet and report upon the question of my stores. That Committee considered this question also and made a report recommending that the old system should be adopted. The Board of Admiralty have approved that Report, and only to-day a letter has gone to the Treasury asking them to concur in the old system being returned to.

66. When you speak of the "old" system, how old is it?—I cannot say. It has been going on for a very long time; before my time.

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Appropriations in Aid—continued.

Sir Brampton Gurdon.

60. (To Mr. Awdry.) On Vote 10 the amount realised from Appropriation in Aid was nearly double what was estimated; have you any remark to make about that?—I think Colonel Raban can best speak on that point.

Chairman—continued.

67. Taking this 6,000*l.*, what stores would that represent?—It would represent a great number of small items. You will find later on when you come to the details under the Sub-heads of Vote 10, when there are excesses there may be amounts of 100*l.*, or 200*l.*, or 300*l.* on certain items, due to our having made the estimate on the assumption that the work would get the credit of the arisings instead of their being carried to Appropriations in Aid.

68. Do I understand that 6,000*l.* of this is accounted for by what you receive from the sale of old stores?—It is old material.

Mr. Austen Chamberlain.

69. As I understand, it is not from the sale of old stores but from the sale of materials thrown out of use in the course of the work: that is to say, in repairing a building, for instance, you have certain old materials to take out from that building and those you sell; it is due to that that this 6,000*l.* arises?—Yes. Sometimes we sell them and sometimes we return them into store. Instead of the item of work being credited with it, during this time this was treated as an Appropriation in Aid. If the Treasury approve of the recommendations of the Committee the item of work will, as heretofore, get credit for these materials.

70. In no case, as I understand, was it a sale of stores in store?—No.

71. It was always a sale, either to the Store Department account or to somebody outside, of stores set free by an alteration to the building?—Yes.

72. It was not a sale of stores in store?—Quite so.

Chairman.

73. (To Mr. Chalmers.) I presume at the Treasury you were cognisant of this change of account as regards the form of dealing with these materials?—The question turns, as has been pointed out, upon Sub-head S. of Navy Vote 10. This subject, which has been a matter of considerable discussion between the Admiralty, the Treasury, and the Audit Office, was, by the desire of the Public Accounts Committee of last year, referred to a small Committee on which there were representatives of the three Departments. That Committee, I am aware, has reported, but I personally have not seen the report which, as Colonel Raban says, reached the

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Mr. PHILLIPS, Mr. CHALMERS, C.B.,
Mr. AWDRY, C.B., Colonel PEASE, C.B., and Colonel RABAN, R.E.

[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Appropriations in Aid—continued.

Chairman—continued.

the Treasury this morning. By the time Vote 10 is reached (if it should not be reached to-day) I shall be in a position to speak more definitely on this matter than I can at the moment.

Mr. Austen Chamberlain.

74. Do you agree as to the accuracy of the statement made by Colonel Raban that it correctly represents the position, that 6,000*l.* of this sum is due to what is merely a change (be it well or ill advised) in the system of keeping accounts?—I take that from Colonel Raban. I have, of course, no knowledge of the actual items making up this sum. I am aware, of course, of the difference of principle which has been referred to.

Mr. Banbury.

75. (To Mr. Awdry.) Paragraph 3 of the Report alludes to a surplus of Appropriations in Aid under Vote 8, Section II.; there there is a very large increase. The estimated amount of Appropriations in Aid was 161,000*l.*, whereas the amount realised was 287,000*l.* That is stated on page 9 to be for "contribution from Indian Government on account of H.M. ships in Indian waters; and for expense of manning the floating defences of Indian harbours; from Australasian Colonies for additional naval force in Australasian waters, and from Government of Queensland in aid of survey." Now those must surely have been things which could have been fairly accurately estimated for; there cannot be anything very new about them. Then there comes, "sale of ships, unserviceable stores, and old machinery." Does that account for that enormous difference?—No, it does not. The enormous difference there is really due to repayment by the War Office for naval stores supplied for Army Services.

76. It does not state that in the explanation, does it?—Yes; the very first words of the explanation are: "For Naval Stores issued on repayment."

77. I thought the words following were the explanation of that; it is meant to be something separate, is it?—Yes.

Sir Brampton Gurdon.

78. Those would be stores supplied for Army services in connection with the War?—Yes.

Chairman.

79. Then I understand the larger part of this 126,000*l.* is represented by the extra purchases from the Navy by the War Office?—Yes.

80. That figures as an Appropriation in Aid?—Yes.

81. But would not the Navy have had to buy many extra stores this year?—Yes, and they did; that you will find lower down.

82. Did they buy any from the War Office?—No.

83. Nor from any other Department except

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900

Appropriations in Aid—continued.

Chairman—continued.

the Ordnance Department?—No; we have had transactions with them with regard to coal.

Sir Brampton Gurdon.

84. Have you replaced those stores?—Yes.

85. Entirely?—I could not say absolutely. Orders were at once given for their replacement, and in the year all the stock has been added to.

Chairman.

86. (To Mr. Chalmers.) You will observe here there is a very large item, indeed, which figures as an Appropriation in Aid; it really is a transfer of stores from one Department to another; is not that so?—Yes.

87. Do you hold that it is properly represented in the accounts as an Appropriation in Aid if it is really only a transfer from one Department to the other?—I think it is properly so classified, seeing that it is not a case of interchangeable stores, such as guns and ammunition, which are dealt with very specially. I think in this case, being ordinary Navy stores, it is properly appropriated in aid of Navy stores; it is a sale. There is always a risk, of course, that you might possibly have (not of course in this case) financing between two Departments; they might be able to turn their actual stores into cash. That is not the case here at all, but I just mention it as a danger that has to be considered in connection with the subject.

88. If it amounted in this year to 126,000*l.* it might amount in another year to a great deal more?—Yes, under special circumstances in the case of war.

Mr. Austen Chamberlain.

89. (To Mr. Awdry.) I understood you to say that orders for the replacement of these stores sold had been given immediately the stores were sold?—That is so.

90. We shall find, shall we not, lower down, an excess expenditure incurred in replacing these stores?—Yes.

Chairman.

91. (To Mr. Phillips.) Have you anything to remark upon this point?—No.

Mr. Austen Chamberlain.

92. (To Mr. Awdry.) Have we any statement before us anywhere of the total amount of stores supplied to the War Office on repayment on account of the war during the financial year to which this account refers?—No, I think not.

93. (To Mr. Chalmers.) Have you any knowledge as to that?—I have no knowledge beyond the sums put in the Appropriation Account.

94. They are not collected in any one place?—Not to my knowledge.

Mr. Cohen.

95. (To Mr. Awdry.) When this transfer took place, did the Admiralty hold that in the acquisition of stores in substitution of those which they had transferred, they were bound to keep

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Mr. PHILLIPS, Mr. CHALMERS, C.B.,
Mr. AWDRY, C.B., Colonel PEASE, C.B., and Colonel RABAN, R.E.

[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Appropriations in Aid—continued.

Mr. Cohen—continued.

keep their outlay within the amount they realised from the transfer?—Not necessarily. We take them practically at the rate book prices; we fix the price from the rate book.

96. Then the quantity of matériel sold has to be replaced, irrespective of whether the acquisition will amount to more than was realised on the sale?—Yes, we might have to pay more for the article or we might have to pay less, but that is the principle that is adopted between the departments.

97. It would take the form of an excess vote if it were an excess?—Yes.

Sir Brampton Gurdon.

98. I presume, although generally speaking you replace the stores you sell to the War Office, it would depend upon circumstances; there might be circumstances in which it might be necessary in the case of war to increase them considerably, and on the other hand there might be circumstances in which it would not be necessary to replace them?—I am afraid we generally want them replaced. We never keep more than is absolutely necessary.

Mr. Austen Chamberlain.

99. The question of increasing or diminishing the total stock would have to be considered on its merits, I suppose, wholly independent of what the War Office demands might be?—Quite so.

Mr. Brodie Hoare.

100. I see on pages 4 and 5 under Vote 2: "Victualling and Clothing for the Navy," there was an increase in the expenditure and a deficit of 150,958*l.*?—Yes.

101. I suppose that was due to expenditure on replacing these stores, or partly so?—Yes, partly.

102. You received 126,000*l.* from the Army, and you spent 150,000*l.* beyond your estimated requirements; that relates to the same transaction?—Yes.

Chairman.

103. (To Mr. Phillips.) On pages 8 and 9 we have what are intended to be explanations of these differences, and if you will look on page 9 you will see a sum of 126,000*l.* as to which we are told the major part was for stores taken by the War Office from the Navy under "Matériel." If you will look at the explanation you will see no hint is given of that there; there is indeed a suggestion to that effect on page 193 in the Report of the Comptroller and Auditor General; but what I want to suggest is: would it not be better if some such explanation as we have just received from Mr. Awdry were given on page 9 in future?—I think you will find the explanation more fully given on page 33. The more complete explanations are those given under each particular Vote, where every item in each Vote, and the cause of difference between expenditure and grant, are fully set out. (Mr. Awdry.) The statement on pages 8 to 10

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Appropriations in Aid—continued.

Chairman—continued.

is only a summarised statement, the fuller explanations being given on each Vote.

104. (To Mr. Awdry.) Still the explanation on page 9, under the head "Matériel," is rather long, but it does not refer to this point?—I think the explanation might be given, as you suggest, on page 9. If there is any default in the matter it is ours, not that of the Comptroller and Auditor General. The statement on pages 8 to 10 is my statement, not the Comptroller and Auditor General's.

105. I would make that suggestion; it refers both to Section II., Vote 8, "Matériel," and to Vote 10, "Works, Buildings, &c."?—Yes. I will bear it in mind.

Mr. Austen Chamberlain.

106. Would there be any objection to giving us a statement of the total Stores supplied by the Navy to the Army in connection with the War, showing the value under the different Votes?—None whatever; if you wish I will put it in with my evidence.

Sir Robert Mowbray.

107. (To Mr. Phillips.) I suppose that has all been in detail before you?—It has.

Chairman.

108. (To Mr. Awdry.) You will let us have that Statement, I understand?—I will let you have that Statement.

OUTCOME OF EXPENDITURE UNDER VOTES,
1899-1900.

Chairman.

109. (To Mr. Awdry.) I observe there is a difference between Grant and Expenditure under Vote I. of 34,638*l.* "due mainly to short bearing of Officers and Seamen"; can you tell the Committee how that short bearing arose?—We have to estimate the number of men that we shall get during the year. We knew we had got a certain number of men and we knew we had got to get some 3,000 or 4,000 men; it is more a question of recruiting than of the number short borne, because we might get towards the latter part of the year more than in the earlier part, as you will see below.

Mr. Austen Chamberlain.

110. Do you mean when you make your estimate you estimate for the cost of the men already borne for the whole year; and then, supposing there is an increase of 5,000 men, instead of taking the cost of 5,000 men for the whole year you would take a cost of 5,000 for that half year, or 2,500 for the whole year, because you would not recruit the whole 5,000 in the first months of the year?—That is the process.

111. That is a question rather of policy in regard to how it is most expedient to recruit the increase granted by Parliament?—Yes. But it is not a large margin, I think, on four millions and a-half.

112. Then

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Mr. PHILLIPS, Mr. CHALMERS, C.B.,
Mr. AWDRY, C.B., Colonel PEASE, C.B., and Colonel RABAN, R.E.

[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Outcome of Expenditure under Votes,
1889-1900—continued.*Chairman.*

112. Then there is on Vote 7 a deficit of 42,000*l.* "due to fewer Reserve Officers and Men coming up for drill"?—Yes.

113. Would you give us the same explanation with regard to that as you have given as regards the preceding item?—No. I should say the explanation with regard to that was that the Royal Naval Reserve with six months' drill is not considered sufficiently attractive to secure the number which we expected.

114. In fact, the explanation of that is that the alteration that was made, requiring six months' drill, has been a deterrent to the Naval Reserve, and consequently you had fewer men than you expected?—Well, it has not been attractive.

Mr. Brodie Hoare.

115. There has been a steady diminution in the numbers, I see, from page 29, all through that year?—Yes. I think you will see that the First Lord, in his Statement, published this morning, draws marked attention to that, and says he proposes to alter the conditions of service in order to make it more attractive.

Chairman.

116. Then, with regard to Vote 9, there is a very serious item, not so much with regard to its amount as with regard to its nature; that is, a surplus of 144,383*l.*, "due to smaller earnings by contractors for big guns and to large credits for supplies of ammunition, &c., to War Office not fully replaced." Now, to take the first branch of the explanation first: how is it the contractors for the big guns failed as well as the contractors for the ships?—Might I refer that question to the officer who has charge of that Department, Colonel Pease; it is better you should have the evidence straight from him than through me.

117. (To Colonel Pease). Can you give us any explanation with regard to this point?—As regards that particular item, first of all I may say there was nearly 80,000*l.* worth of stores supplied to the Army. The guns during that year were not supplied according to the terms of the contract, and the question of fines for these guns you will see is referred to in the next paragraph.

Mr. Austen Chamberlain.

118. You were not able to fully replace the stores represented by that amount?—No, because as a rule the contractors were mostly engaged on Army Stores, and they naturally gave precedence to those supplies.

119. I presume the War Office had very large orders out at this time?—Very large orders.

120. Did that affect the completion of Admiralty orders previously given?—Yes.

0.14.

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Outcome of Expenditure under Votes,
1899-1900—continued.*Chairman.*

121. Then it comes to this, that not only did the Army take from you some of your own stores but they also took from you the guns which the contractors were making for you?—Yes, they took, as it were, the surplus which the contractors who were engaged for us could give them.

122. Then there is no question here of failure on the part of the contractors?—Not on the whole.

Mr. Banbury.

123. The explanation says that it was also due "to large credits for supplies of ammunition to the War Office not fully replaced." Why were not the supplies of ammunition fully replaced; was that because you could not do it?—That ammunition, you will find, was credited to the Naval account; if you will look at page 36 you will see that it is credited to the extent of 79,000*l.*

Mr. Austen Chamberlain.

124. The honourable Member's question was why were those supplies of ammunition and so forth supplied to the War Office not fully replaced?—It was impossible for the contractors to supply them within the year.

125. The contractors were working at high pressure?—Yes, the whole time.

126. They were working at high pressure for the War Office and they were unable to take your full orders and execute them in time?—Yes, I will give you one instance. There was one firm which had large contracts for pistols for the Army and for the Navy, and they supplied pistols to the Army in preference to the Navy.

Mr. Banbury.

127. Pistols are not "ammunition"?—No, they are not under "ammunition."

128. My question was with regard to ammunition, because to me this explanation reads (it may be badly expressed) as if the contractors did not send in big guns, and large credits were taken for supplies of ammunition, and those supplies were not fully replaced on the other side. Now you say that is because the contractors did not supply pistols?—I am speaking of the expenditure as a whole. I merely mentioned the case of pistols as a sample.

Sir Brampton Gurdon.

129. I presume pistols would come in under the "&c."?—No, they would come under Sub-head I., "Small Arms."

Chairman.

130. Is the Committee to understand then, as a matter of fact, that the War Office was short of guns and ammunition and that they were supplied with what they required to the extent that was possible by the Navy?—That was so during that year to the extent of 79,000*l.*; of course

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Mr. PHILLIPS, Mr. CHALMERS, C.B.,
Mr. AWDRY, C.B., Colonel PEASE, C.B., and Colonel RABAN.

[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Outcome of Expenditure under Votes,
1899-1900—continued.*Chairman*—continued.

course there was a much larger sum supplied to the Navy during the present year.

131. I presume the Admiralty considered, before supplying the wants of the Army, whether they would still retain enough for their own wants?—Yes.

132. Then they had too much ammunition when the year began?—No. The guns and ammunition to which you refer, which were lent to the Army, were taken out of reserves, not out of the outfits of ships. The reserve would never be used until all the outfit was expended.

133. Was this artillery ammunition?—It was principally 12-pounder, and 6-pounder, and 3-pounder; there was also some 4·7 inch.

Sir Brampton Gurdon.

134. There are no penalties in connection with the supply of ammunition, I suppose, are there?—Yes, there are.

135. Are there penalties in the case of contractors for big guns?—Yes, for big guns. The penalty for delay in the delivery of big guns is: under three months, 2½ per cent.; between three and six months, 5 per cent., and over six months 10 per cent.

136. Are any penalties being enforced in connection with Vote 9?—Yes, if you look at page 199 you will see a case referred to in connection with the 6-inch guns.

137. I have read what is stated there?—They paid there 770l.

Chairman.

138. (To Mr. Awdry). Is the question of penalties with regard to guns and ammunition also being considered by the Committee to which you have referred?—I could not tell you positively. (Colonel Pease). It is.

Mr. Austen Chamberlain.

139. (To Mr. Awdry). I presume the policy of enforcing penalties in general would be the same—it would apply equally well to ships and to guns?—Yes.

VOTE 2.—VICTUALLING, &C.

EXPLANATIONS UNDER SUB-HEADS G., K.,
M., N., O., AND P.*Sir Brampton Gurdon.*

140. I see in paragraph 6 it is stated that in two cases "excess expenditure of considerable amount is stated to have been modified by increased liabilities carried over to the succeeding year"; what is meant by that, I take it, is that it would have been bigger if certain bills which were properly payable before the 31st of March last had not been carried over to the present financial year?—Yes; it is due to the fact that a considerable additional quantity of stores ordered from contractors during the latter part of the year had not been delivered, and so the cost fell upon the succeeding year.

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 2.—Victualling, &c.—Explanations under
Sub-Heads G., K., M., N., O., and P.—continued.*Mr. Austen Chamberlain.*

141. Then the sum was not due for payment?—No; the sums were not due for payment; the stores had not been delivered.

Sir Robert Mowbray.

142. The money has been surrendered to the Exchequer to meet the liability?—Yes.

Sir Brampton Gurdon.

143. But you mean that that fact made the excess less than it would otherwise have been?—It made the outstanding liability more apparent; it was larger than the normal liability usually carried over.

144. You mean carried over from 1899-1900 to 1900-1901?—Yes; we started the year owing so much money for stores.

145. Otherwise your excess expenditure would have been bigger?—Yes.

Mr. Austen Chamberlain.

146. Is it quite correct to say that you started the year owing so much money for stores; would it not be more correct to say you had so much more value of stores on order?—It is very much the same thing, I think. It is an outstanding liability. You have ordered goods which you would have to pay for when they were delivered.

147. But the point, as I understand, is this: is it a liability that is due for payment, and for which payment was deferred?—The liability had not yet become due, but still there was a liability not matured.

Mr. Cohen.

148. It is a liability from the moment the goods are delivered?—It is a liability directly the goods are ordered, but it is not matured until they are delivered.

Chairman.

149. I notice in paragraph 6 the Comptroller and Auditor General says: "In two cases excess expenditure of considerable amount is stated to have been modified by increased liabilities." That is one case?—That is one.

150. (To Mr. Phillips.) Are you satisfied with the explanation now given?—Quite. The latter part of paragraph 6 we rather insist upon. We say there that we "inquired of the Admiralty what amount was outstanding in each case, but as yet have received no reply. There must almost necessarily be an overlap of this nature for stores at the close of a year; but, unless the proportion is approximately constant, the Vote of one year may be unduly relieved at the cost of the Vote of the succeeding year, and the figures given in the Appropriation Account as savings or deficits may be altogether misleading." As the result of our inquiries upon that point we have ascertained the liability carried over was, something like 30,923l., which is not a large sum compared with the Vote.

151. (To

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Mr. PHILLIPS, Mr. CHALMERS, C.B.,
Mr. AWDRY, C.B., Colonel PEASE, C.B., and Colonel RABAN, R.E.

[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 4.—Martial Law—continued.

VOTE 4.

MARTIAL LAW.

Sir Brampton Gurdon.

151. (To Mr. Awdry.) Turning to page 20, I observe item D, "Conveyance of Prisoners," is more than twice what you estimated; there must be some special explanation of that, I suppose?—I think it is due to there being more prisoners.

152. Is it simply due to that?—Principally.

153. There has been no special change from one prison to another?—No.

154. Is it not rather extraordinary that the number of prisoners should increase in such a wonderful manner; is it due to an increase of crime, or what?—The Navy is larger.

Mr. Austen Chamberlain.

155. If prisoners were committed for shorter sentences, you might have only an equal number of days spent in gaol, but still more prisoners to be conveyed?—Yes.

156. Has there been any alteration during the year in the character of prisoners sent to the more distant gaols, to Bodmin and to Lewes; have more short sentence prisoners been sent there?—I could not tell you.

Sir Brampton Gurdon.

157. I observe under Sub-head E, "Subsistence of Prisoners in Prisons Abroad," there is a very large increase also; is that due to an increase of prisoners?—I think that is due also to the increase in the cost of subsistence.

Mr. Austen Chamberlain.

158. Is it in any part due to the fact that prisoners formerly confined in cells on board ships are now put into prisons on shore?—Yes, that has something to do with it.

Sir Brampton Gurdon.

159. There are no naval prisons abroad, are there?—At certain stations.

Mr. Austen Chamberlain.

160. Is there not a naval prison at Esquimaux?—Yes.

161. And at the Cape. (To Colonel Raban.) Is the Naval Prison at the Cape completed yet?—Yes, it is completed now.

162. Was it completed at the time to which these Votes refer?—No.

Mr. Banbury.

163. (To Mr. Awdry.) I suppose it is not due to their having conveyed the prisoners first class or anything of that sort?—No.

Chairman.

164. (To Mr. Phillips.) I see in paragraph 7 you say you have asked the Admiralty whether a fuller explanation cannot be given?—Yes.

165. You have heard the explanation given by Mr. Awdry; does it satisfy you?—I suppose

Q14

Chairman—continued.

it is the best explanation that can be given under the circumstances.

166. (To Mr. Awdry.) Have you anything further you can tell us about this large increase in regard to the conveyance of prisoners?—The only thing I can suggest is that we must have made a bad estimate at starting.

167. But it must have been unusually bad; it is more than double?—We have taken it on the basis we have usually taken, that is to say, the average; and the average turned out incorrect.

Sir Robert Mowbray.

168. I suppose your average may be upset by the distance the prisoners have to be sent on different occasions?—Certainly.

169. You have no definite information upon that point?—No.

VOTE 8—I.

SHIPBUILDING—PERSONNEL.

EXTRA TIME WORKED AT HIS MAJESTY'S DOCKYARDS.

Chairman.

170. (To Mr. Awdry.) The first three subparagraphs of paragraph 8 refer to a discrepancy between the various records supporting the payments for extra time, and states that this discrepancy "threw doubt upon the accuracy of the time for which men were paid"; have you any explanation to give of that?—The explanation, particularly with regard to Chatham, was this: A great number of men were taken on to work on two transports, and the recorders who were watching the overtime of those men gave the time when they were supposed to have left their work. The police at the gate, when the men left, took their times down again, and those times did not correspond. I think it was felt that the police, with the rush of men passing through the gates, made various discrepancies in recording their time. I have looked into it very carefully myself, both at Devonport and at Chatham, and I am satisfied, so far as our system is concerned, it is nearly as perfect as we can make it (I may say it is not my making, so I am not egotistical in speaking about it). I followed it up to see if there was any leakage, and also by going to several very large works where thousands of men were employed to see if there was anything in the outside world that could improve our system of checking the time, and I failed to find anything. Our system is very simple, and it is this: every man when he comes in at the gate takes up his ticket, and the timekeeper records the time he comes in; if he fails to come in by the bell ringing he is locked out till after breakfast; so that we know when he is in the yard; and each time he comes out of the yard he deposits his ticket. Then when men are working, the recorders of the Expense

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[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—I.—Personnel.—Extra Time Worked at
Her Majesty's Dockyards—*continued.**Chairman—continued.*

Accounts visit them twice a day to ascertain what work they are engaged upon. Then if a man is engaged on overtime, notice is given to the superintendent, and notice is also given to the Expense Account Department so that the recorders may be present after working hours to see that those men are actually at their work, and when they leave the gate their time is taken down. There have been many discrepancies, but they were due in great part to the temporary staff in the cash offices, and I think I can pretty well assure the Committee that there has not been a single case of over-payment that I can trace, and I think the Comptroller and Auditor General will discover very little to find fault with during the present year.

171. (To Mr. Phillips.) I see at the last line on page 194 you say, "that the whole question of the method of paying for extra time was under consideration." That refers to checking the time itself, I presume?—Yes.

172. You have heard Mr. Awdry's explanation?—Yes.

173. Are you satisfied with it?—Yes.

Mr. Banbury.

174. (To Mr. Awdry.) There is a further paragraph that seems to contradict the first statement, because it is said in the second paragraph that at Chatham steps are going to be "taken to meet sudden and great pressure," and then it says further on that in view of the fact that an additional cost of 500*l.* a year would be involved they are not going to do anything at Chatham, but that they are doing something at Devonport?—Devonport stands on a totally different footing from any other yard.

175. As I understand, it is said here you are going to do nothing at Chatham because it would involve a cost of 500*l.* more?—Nothing at Devonport.

176. I do not read it so; it says, arrangements have been made at Devonport, as I understand?—Arrangements have been made as to checking thoroughly in the cash office. But alluding to that figure of 500*l.* let me say this: Devonport and Keyham are practically two distinct yards; one is two miles from the other. At Chatham and Portsmouth the men always enter and leave by the same gate, and there is not much difficulty in checking their time; but at Devonport, where a man may be engaged at Devonport in the morning and then be sent before meals to Keyham, and then leave the Keyham gate for meals and come back to Devonport and work there in the afternoon, there have been very great difficulties, and if we carried out the same system as we do at Portsmouth of checking by timekeepers we should want five or six more timekeepers at a cost of 78*l.* each. We are having the time checked in the cash office, bringing out the exact

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—I.—Personnel.—Extra Time Worked at
Her Majesty's Dockyards—*continued.**Mr. Banbury—continued.*

amount of hours every man has worked in the yard.

177. Is that found to be satisfactory?—I think so.

VOTE 8.—II.

MATÉRIEL.

PAYMENTS IN EXCESS OF CONTRACT RATES FOR
STEAM VESSEL COAL.*Sir Brampton Gurdon.*

178. I see in the second sub-paragraph of paragraph 9 it is stated that "as regards the contracts for 1900 it does not appear that any deliveries were made at contract rates; these rates were suspended from the commencement"; on what ground were they suspended?—On the ground that we did not wish the contractor to lose 7*s.* or 8*s.* on every ton of coal he supplied.

179. You mean the price went up so high?—Yes, having regard to the rise in the price of coals at Cardiff and the increase of freight.

180. You thought you had better buy them from hand to mouth until a good opportunity occurred for making a contract?—Yes.

181. Are you making contracts now?—We engaged to pay a fixed contract rate and to pay him 5*s.* a ton for a certain period; that lasted three months; then we reduced it to 4*s.*, and now probably it will have reached its original state as coals have got cheaper.

Mr. Austen Chamberlain.

182. (To Mr. Phillips.) As I understand that paragraph refers only to steam coal supplied to the two stations, St. Vincent and Las Palmas?—Yes.

183. It does not apply to all the supplies of steam coal obtained by the Admiralty?—No, I believe not.

184. (To Mr. Awdry.) Can you tell us what arrangements are made for the supply to Las Palmas and St. Vincent under ordinary circumstances?—We have a fixed contract rate with the contractors and we agree that they shall keep a stock there for us of about 2,000 tons.

185. They are to keep a minimum of 2,000 tons there?—Yes.

186. To supply you as you require?—Yes.

187. In this year would the supplies have been altogether abnormal owing to the war?—They were most abnormal. Before we increased the price for the contract of 1899, when we gave 3*s.* 9*d.* extra, we had taken 10,000 tons of coal at St. Vincent and 5,000 at Las Palmas, being in the one case 8,000 tons more than was expected, and in the other 3,000 tons, and we paid for those at the contract price.

188. Are

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[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—II.—Matériel.—Payments in Excess
of Contract Rates for Steam Vessel Coal—*contd.*

Mr. Pym.

188. Are they stored at Las Palmas and St. Vincent?—Yes.

189. The contractors have to keep so many thousand tons always at your service?—Yes.

190. At that price?—Yes.

191. How long beforehand is that price fixed?—For a year.

192. How often do you make your contracts?—About every year.

193. It depends upon circumstances I suppose as regards how fast it is used up?—Yes, a contractor for coal would hardly like to enter into a contract for more than 12 months, if he did he would probably charge a much higher price.

194. On the average, would 2,000 tons be sufficient at St. Vincent for your consumption?—Yes.

Mr. Austen Chamberlain.

195. As I understand, that does not represent your consumption, but that is the minimum this contractor has to have at any moment?—Yes; that is the minimum he must have in stock.

Mr. Pym.

196. Is the stock held at the risk of the Admiralty or at the risk of the contractor?—At the risk of the contractor.

Mr. Banbury.

197. Am I right in thinking that in 1899 the contractor supplied the amount which he ordinarily supplied at contract price, and then, there being an excess quantity required, he was paid 3s. 9d. a ton more for that excess?—Yes.

198. But in 1900 it does not appear that that principle was carried out; he does not appear to have supplied any coal at all at the contract price in 1900?—But in the previous year he had supplied very much more than the normal requirement at the contract price.

199. These accounts deal with the year 1900, only up to the 31st of March?—Yes.

200. Therefore he would have supplied in the earlier part of the financial year as much as he supplied that year up to the 31st of March?—Yes.

Mr. Brodie Hoare.

201. Do you renew these contracts every year at the same period?—Yes.

Mr. Austen Chamberlain.

202. (To Mr. Chalmers.) I suppose this arrangement was submitted to the Treasury for their sanction?—Yes. The Treasury concurred in making these payments beyond the contract rates.

203. Do I understand the view of the Treasury to be that when altogether abnormal circumstances have arisen which were not foreseen at the time the contract was made by either the

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—II.—Matériel.—Payments in Excess
of Contract Rates for Steam Vessel Coal—*contd.*

Mr. Austen Chamberlain—continued.

Admiralty or the contractor, then it is proper to give some consideration in respect of those circumstances, and not only proper but perhaps prudent, having regard to the necessity for making contracts for the future?—That is the Treasury view.

204. The Treasury, I presume, thinks if they gave no consideration under those circumstances the result would be that the contractors would exact very high terms under ordinary circumstances to cover themselves against the possibility of such a contingency as this?—That is so.

Chairman.

205. (To Mr. Awdry.) I should like to ask a question upon this point. You have, as I understand, out of equitable consideration, paid an extra 3s. 9d. per ton more than your contract required?—Yes.

206. Then you paid an additional 5s. a ton extra?—Yes.

207. Making 8s. 9d. per ton more than what you contracted to pay?—Yes.

208. You did that in consequence of the rise in the price of coal?—Yes.

209. Suppose the price of coal had fallen, would you have expected the contractor to take the same equitable view of the matter which you have taken, and make a diminution in your contract price?—No, I do not think I should have expected him to do that.

Mr. Austen Chamberlain.

210. Are you bound to take all the coal you require at St. Vincent from the contractor there?—Yes.

211. Whatever the quantity is?—Yes.

Chairman.

212. But is it customary with people who make large contracts for coal to take these circumstances into consideration, as you have done, and to pay something extra while they forego any advantage that they might equitably be entitled to when there is a fall in price?—I think they would having regard to the circumstances, the contractor having contracted for normal requirements, expecting only to have to supply a certain amount, and then war breaking out, we should have been exacting such a tremendous penalty if we had compelled him to lose 7s. or 8s. a ton.

Mr. Austen Chamberlain.

213. Did you satisfy yourself he could not land the coal at that price?—Yes.

214. You satisfied yourself he would be out of pocket if you insisted on the contract terms?—Yes.

Chairman.

215. May I take it that in the case of these remote places, St. Vincent and Las Palmas, you felt

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ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—II.—Matériel.—Payments in Excess
of Contract Rates for Steam Vessel Coal—*contd.**Chairman*—continued.

felt inclined to make special concessions in order to secure your permanent supply?—Yes, that is another very strong point.

216. It is a very important point, no doubt; you perhaps made concessions here to the contractor which you might not be ready to make to contractors at other places: is that so?—I should think that is most probable.

217. There is one other point I should like to ask about; if you will look at the last sub-paragraph but one of paragraph 9, you will see the Comptroller and Auditor General says, "It appeared to me that the effect of these concessions might with advantage have been shown for the information of Parliament, either by record under a special sub-head, or, at least, by footnote to Vote 8—II. in the Appropriation Account, but the Admiralty did not consider that the circumstances merited such special notice." Was it on account of the amount that the Admiralty did not consider that the circumstances merited such special notice?—Generally, I think; it was merely conceding an act of justice, and the Admiralty do not want to parade all their acts of justice by a special note.

218. The space required would be too large?—Yes.

Mr. Austen Chamberlain.

219. You do not think it necessary to call attention to an arrangement which you thought was merely managing the affairs of the Navy on a business-like footing?—Quite so.

Mr. Pym.

220. I notice at page 116, to which we are referred in this paragraph, in a note showing the approximate amount of extra expenditure in connection with the war in South Africa under Vote 8, "Naval Stores including coals," the amount is 80,000*l.*?—Yes.

221. Can you say how much of that is expense in connection with coals?—£. 57,200.

222. You would not think that sufficient reason for having a special note as suggested by the Comptroller and Auditor General?—The absolute difference in regard to the higher price of coals was 1,022*l.*

223. That is to say, the difference over the contract?—Yes.

Mr. Herbert Lewis.

224. For how many years has the Admiralty bought coal from this contractor?—I could not tell you, but I imagine some years.

225. Is the contract let afresh every year, other contractors being allowed to tender?—Certainly.

Mr. Austen Chamberlain.

226. Is there much choice of contractors at St. Vincent?—I am not sufficiently acquainted with the local circumstances to tell you.

227. The Chairman, speaking about the figures in the second sub-paragraph of paragraph 9, put

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—II.—Matériel.—Payments in Excess
of Contract Rates for Steam Vessel Coal—*contd.**Mr. Austen Chamberlain*—continued.

to you just now, that the Admiralty had first paid 3*s.* 9*d.* a ton above the contract price, and subsequently another 5*s.*: making, as he said, 8*s.* 9*d.* a ton in all, to which I think you assented?—Yes.

228. I did not so read the paragraph; I understood that the 3*s.* 9*d.* per ton extra had been paid on a certain amount of coal, and 5*s.* a ton extra on other quantities of coal, so that the maximum extra above the contract price upon any particular ton would be 5*s.*; am I right or was the maximum price of any particular ton 8*s.* 9*d.*?—For the three months it was 8*s.* 9*d.* If you want the actual prices I have got them here.

Sir Robert Mowbray.

229. That is for the first three months of 1900?—Yes.

Sir Brampton Gurdon.

230. Do you use any other coaling stations on the way to South Africa besides St. Vincent and Las Palmas?—No, I think not.

231. You never go to Madeira?—Not for Transports, I think; but His Majesty's ships of war load there occasionally.

Chairman.

232. (To Mr. Chalmers.) May I take it that the Treasury are satisfied with regard to this extra expenditure on coal?—Fully satisfied.

PAYMENTS FOR DEMURRAGE IN RESPECT OF
FLEET OPTION.*Chairman.*

233. (To Mr. Awdry.) The Comptroller and Auditor General calls attention in paragraph 10 to the question of demurrage, which I take it is a very serious question indeed, and he suggests that perhaps the form of the charter party is not at present satisfactory; have you taken that matter into consideration?—I believe the Director of Stores is looking at the charter parties; but so far as this particular item is concerned we consider it is perfectly satisfactory.

234. You will see the Comptroller and Auditor General says, if you will read the third sub-paragraph: "As I learn from papers furnished in support of other claims for demurrage that there was an intention on the part of the Board of Admiralty to amend, under counsel's advice, the existing form of charter party, I thought it desirable to draw their Lordships' attention to this case" (that is, the particular case he cites), "and to inquire whether it was proposed to provide in future for conditional discrimination between cases of Fleet option in the strict sense and cases such as the present, where apparently the ordering on under Fleet option is only tantamount to a change in the port of destination. In reply I have been informed by the Admiralty that it would be inconvenient to pledge themselves to any definite alteration in the form of charter

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Vote 8.—II.—Matériel.—Payments for
Demurrage in respect of Fleet Option—*contd.**Chairman—continued.*

charter parties on a particular point, but that the question raised by my Department will be kept in view on the general revision of the form." It was on that I asked whether you had considered the question of the revision of the form of charter parties?—It has been considered in the office.

235. It is not yet decided?—It is not yet decided.

236. (To Mr. Phillips.) Does that satisfy you as regards that point?—I understand no decision has been arrived at by the Admiralty, and therefore the point will be kept in view by the Comptroller and Auditor General.

Mr. Herbert Lewis.

237. In settling the amount per registered ton per day to be paid by way of demurrage for the steamer, do the Admiralty take into account the fact that the registered tonnage of one steamer differs very widely and very materially from the registered tonnage of another steamer; my point is this: that there is considerable difference in the measurement of different steamers, and that one ship of, say, 1,000 tons burthen, may have a registered tonnage of 500 tons, and another ship of 1,000 tons burthen may have a registered tonnage of only 350 tons; do the Admiralty take that into consideration?—I have no doubt they adopt one common basis. I speak without any very great knowledge of the special facts.

Chairman.

238. As a matter of fact I take it it would not be practicable to make any charter party involving demurrage on any other basis than that of the registered tonnage?—I think not.

Mr. Herbert Lewis.

239. Would it not be possible to take into account the relation which the registered tonnage of the ships bears to the number of tons burthen that the ship can carry?—I am afraid I am not an adept upon this subject, and I should hardly like to express an opinion.

240. There is a very considerable difference in the carrying capacity of steamers as compared with their registered tonnage?—It is all taken on the same basis, the registered tonnage.

241. But my point is this: Lloyd's list is not necessarily conclusive as to the carrying capacity of the vessel, but you may have one vessel of 500 tons registered tonnage, which may carry 1,000 tons, and another of 500 tons registered tonnage which may carry 1,500 tons, the difference arising from a difference of interpretation of the regulations, and from the fact that a very large space is sometimes shut off for the purpose of reducing the registered tonnage of the vessel; you do not know whether that has ever been taken into account in the Admiralty?

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Vote 8.—II.—Matériel.—Payments for
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—I have no doubt whatever it has been. We pay on the net tonnage.

242. Yes, that is what is meant. That, however, does not answer my question?—I am afraid I am not an adept.

Mr. Austen Chamberlain.

243. Of course the Admiralty in settling the whole of the rates which they would pay in connection with chartering a vessel and demurrage, would consider the capacity of the vessel and its value to them in consequence of its capacity?—Yes.

Chairman.

244. Am I right in presuming that before you charter a vessel you have her examined by your own officers?—We have agents at Cardiff for that purpose.

245. That is to say you do have her examined?—Certainly.

246. Those officers would assist you in coming to a conclusion as to the rate which you should agree to for demurrage, among other things, per registered ton?—Yes.

247. In giving that advice they would have regard to the carrying capacity of the ship, would they not?—Certainly.

Mr. Herbert Lewis.

248. Can you tell me whether the same rate mentioned in this paragraph, of 4*d.* per ton, has been charged in the case of each vessel, or has there been a different rate; is it 4*d.* per ton registered per day, or have there been varying rates?—I think it is always 4*d.* per ton.

249. Then do not the Admiralty appreciate the fact that the registered tonnage of these vessels differs very materially; however, perhaps you will look into that?—Yes.

VOTE 8.—III.

CONTRACT WORK.

ADVANCES UPON INSTALMENTS.

Chairman.

250. Paragraph 11 of the Report refers to a subject that has been before us on previous occasions, namely, advances made without interest to carry on contractor's business?—Yes. This was the outcome of a previous report of the Public Accounts Committee which was mentioned incidentally last year, and it is put in now as a note.

251. (To Mr. Phillips.) There is one point in the last part of the second sub-paragraph to which I wish to refer. The advances are advances without interest, and the Comptroller and Auditor General tells us it has been arranged "that the advances shall be restricted to cases of relief of contractors from an uncovenanted

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ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Advances upon
Instalments—*continued*.*Chairman—continued.*

covenanted loss which they could not have foreseen or avoided." What is the Committee to understand by that expression "uncovenanted loss"?—I suppose it means a loss which could not be foreseen at the time. (Mr. Chalmers.) It was my phrase, if I may say so, and what was meant was that looking forward the contractors could not anticipate that such a loss would fall upon them, that is to say, it was outside the covenant. The phrase has been used in the correspondence in antithesis to uncovenanted gain. This was an uncovenanted loss in the sense that it was a thing outside the covenant or contract. That, I think, was the intention of the phrase.

252. (To Mr. Awdry.) Then in fact the principle that is applied here as regards the advances without interest, or rather as regard the interest, is very much the same principle as applied to coal, viz., that when some unforeseen circumstance has caused the contractor to sustain a loss not foreseen in the contract then you should let him have his advance without interest; is that so?—No, that is not what is meant.

Sir Brampton Gurdon.

253. Is not what is meant this: that if the contractor is unable by some technical reason or some misfortune, not his fault, to obtain any instalments due to him by not being able to complete a defined portion of his work, you shall not take advantage of that, but you shall give him the money that is really due to him—you are in fact giving him money that is justly due to him only he is deterred from claiming it by some unforeseen circumstance that prevents him from reaching some point in the work at which he is entitled to get the money?—Yes.

Mr. Cohen.

254. The whole question here turns upon whether the contractor is to pay interest upon the advances, it is not whether the advances should be made; it is within the discretion of the Admiralty whether they should make the advances, but the question here is whether the contractor should pay interest upon those advances being made, because, as the honourable Member has suggested, the contractor is not able through some unforeseen circumstance to become entitled to the money; is not that so?—Yes; we do not pay them up to the full amount.

Sir Brampton Gurdon.

255. This arrangement really carries out what was authorised by this Committee two years ago; is not that so?—Yes.

256. The Committee then said the consent of the Treasury should be obtained in every case. (To Mr. Phillips.) Have you any remark to make upon this point?—No. The conditions upon which advances were to be made to contractors were laid down in the 6th paragraph of

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Advances upon
Instalments—*continued*.*Sir Brampton Gurdon—continued.*

the Fourth Report of this Committee of 1890, and it was then directed by the Committee that advances were only to be made in "special cases," and those cases were defined as cases which fulfil the following conditions: "(a) Although the instalment is not due, the advance has been really earned. (b) The work done, for which the contractor cannot claim payment at so early a date, is work which has not been provided for in the Estimates of the following year, but formed part of the authorised programme of the current year, and has in that year been provided for by a Grant from Parliament. (c) The work done and the materials used are capable of identification on the premises of the contractor, as having virtually become the property of the Crown." Now, this change is certainly rather an enlargement of those conditions.

Chairman.

257. The enlargement having been made by the Treasury Minute of 1899?—Yes.

258. But am I to understand that the Comptroller and Auditor General takes any exception to that enlargement?—No; I think he considers it is a perfectly fair thing that these advances should be made under the circumstances described in paragraph 11, and subject to the condition that there is to be an annual return of all the cases furnished to the Treasury.

Sir Brampton Gurdon.

259. (To Mr. Chalmers.) The Treasury Minute of November 1899 announced that the Treasury were conferring with the Admiralty; but since then, I suppose, there has been a Minute which embodies the result of that conference?—Yes; there was a conference in January 1900 or December 1899, at which the Treasury and the Admiralty were represented. The line taken was this: the Board of Admiralty represented that these special advances were rarely made, and were confined to cases in which contractors, having actually incurred heavy expenses with a view to earning one or more covenanted instalments, had been prevented through no fault of their own from claiming the payment of instalments for portions of the work, and the Treasury said in those circumstances it was manifestly proper not to claim interest upon such special advances.

260. You agree that that is reasonable?—The Treasury agreed to that as being a reasonable arrangement.

DELAY IN THE DELIVERY OF TORPEDO-
BOAT DESTROYERS.*Mr. Herbert Lewis.*

261. (To Mr. Awdry.) May I ask whether any penalty whatever has been enforced in respect of these torpedo boat destroyers referred to in paragraph 12?—None, except for loss of speed.

262. There

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Mr. PHILLIPS, Mr. CHALMERS, C.B.,
Mr. AWDRY, C.B., Colonel PEASE, C.B., and Colonel RABAN, R.E.

[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Delay in the
Delivery of Torpedo-boat Destroyers—*contd.*

Mr. Herbert Lewis—continued.

262. There is no penalty enforced for late delivery?—No.

263. Do you know what those penalties for late delivery amount to?—No, I do not.

264. The figure was given last year. I think it was something like 75,000*l.* altogether?—They were very large figures.

265. If absolutely no penalty whatever is exacted, and there has been in some of these cases considerable delay, does not that altogether nullify the moral effect of the penalty clause in the contract?—It does.

266. I was going to ask, is it a right and proper thing on the part of the Admiralty to waive the penalty in every one of these cases, but I understand the Committee have already had this point under consideration to-day?—The point was referred to earlier in the day.

Mr. Brodie Hoare.

267. I should like to know whether there is any reasonable excuse for the "Lee" and "Stag" being one year and three months in arrear, as is shown on page 219; one year and three months is a long time for a torpedo-boat destroyer to be in arrear?—Yes. The honourable Member will remember that these are all experimental boats with very great speed required, and great skill is needed in the manufacture of the engines to enable them to attain this great speed.

Chairman.

268. Do you say they are all experimental?—I should say they are pretty nearly all experimental, even up to this date.

Mr. Brodie Hoare.

269. The contract date of delivery was December 1898, and the last instalment had not been paid on the 31st of March 1900; so that it was a year and three months behind hand?—Yes.

Mr. Austen Chamberlain.

270. Was that due to the failure of the contractor to complete his work or to subsequent defects preventing the whole from being accepted?—Mostly to the difficulty in getting the requisite speed.

271. If that were so may we take it that the contractor was doing his best, but having to attain a higher speed than he had ever worked to he failed to attain it on his first trial?—Yes.

272. If his first trial had been successful he would have kept much more nearly to his time?—Yes. We are also met with the legal difficulty that if you vary a contract by making any alteration or additions, the penalty clause becomes null and void.

Chairman.

273. And, as a matter of fact, you always do make alterations?—Yes.

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ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Delay in the
Delivery of Torpedo-boat Destroyers—*contd.*

Chairman—continued.

274. Therefore you always give away the contract?—Yes. However a special form of contract is being prepared in which a clause is inserted enabling us to claim the penalty.

275. But then you will want a scale of charges for any alterations which you may make?—Yes; all that will be laid down so that we may fix the time required for those alterations.

Mr. Herbert Lewis.

276. You say the contractor experiences difficulty in consequence of having to construct these boats with a higher speed than he ever made before; that does not constitute an addition to the contract if the higher speed was within the contract?—Certainly not.

277. It is only when you vary the speed after the making of the contract that you introduce an alteration into the contract that would make the penalty clause null and void?—Yes.

Mr. Austen Chamberlain.

278. I take it it was not a question of varying the speed to which the Chairman alluded to when he referred to alterations being made in the contract; it is rather a question of some little alteration in the steering gear or any of the fittings?—Quite so.

Mr. Herbert Lewis.

279. May I ask whether there is any foundation at all for the statements that have been made that foreign countries manage to get their work out of the hands of British contractors very much more quickly than the British Admiralty can obtain it?—I cannot answer that question; I should hope it was not true.

Mr. Austen Chamberlain.

280. This question of delay in deliveries under contracts is, as I understand, the question which you said the First Lord of the Admiralty had referred to the Committee you mentioned presided over by Mr. Arnold Forster?—Yes.

281. The other Members of the Committee being Admiral Wilson, Sir Francis Evans, and Sir Thomas Sutherland?—Yes.

Chairman.

282. Have you ever in the case of a very late delivery of a torpedo boat refused to receive the boat altogether instead of taking it and trying to enforce the penalty?—We have always wanted the boat.

283. You go on wanting it all the year if it is late in delivery?—Yes.

284. Is it not sometimes obsolete by the time it is delivered?—Scarcely.

285. May I take it generally that even in the case of late delivery of torpedo boats you are obliged to have a little give and take with the contractors, otherwise they would not contract with you in future?—Yes.

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286. Is

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Mr. PHILLIPS, Mr. CHALMERS, C.B.,
Mr. AWDRY, C.B., Colonel PEASE, C.B., and Colonel RABAN, R.E.*Continued.*

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Delay in the
Delivery of Torpedo-boat Destroyers—*contd.**Chairman*—continued.

286. Is that partly the explanation?—I have no doubt it is; but the Board of Admiralty are quite as desirous of inflicting penalties for these very late deliveries in many cases as the Public Accounts Committee could be; indeed I have before me the words of a letter which I may read: "I may add that the question of the enforcement of penalties is one of those referred to the Committee on Arrears; and that it is possible that it may be found desirable to enforce certain penalties more rigorously in the future than has been done in the past."

Mr. Austen Chamberlain.

287. Will you convey to the authorities at the Admiralty the suggestion which the Chairman made earlier in the sitting, that instead of inflicting a penalty for late delivery, they might offer a premium for prompt delivery?—Yes, I have made a note of that suggestion.

PENALTIES FOR DELAY IN DELIVERY OF
HULLS, MACHINERY, &c.*Sir Brampton Gurdon.*

288. These cases at the end of paragraph 14 are not all the penalties, are they, which have been inflicted in the course of the year?—No; those are only the penalties in regard to ships; there were some penalties on guns.

289. But are these all the cases relating to guns?—That statement has been abstracted by the Comptroller and Auditor General, and I suppose he finds no others; there are no others, I think.

290. (To Mr. Phillips.) May we take it that you have looked through all the accounts and you only find these penalties with regard to ships?—Yes.

291. That is to say, penalties to the amount of 350*l.* in the year?—Yes.

Chairman.

292. (To Mr. Awdry.) The explanation of your inability to enforce penalties to any extent is given in paragraph 13, is it not?—Yes.

293. That is to say, it has been held that if you vary a contract you cannot enforce the penalty; is that so?—That is so.

294. And as a matter of fact you always do vary the contract in some particular?—Yes.

295. You cannot build a ship without varying the contract more or less, I presume?—I should think it would be almost impossible with improvements going on from time to time.

Sir Brampton Gurdon.

296. But I understand you have made provision for that in future?—Yes, in new contracts.

Mr. Herbert Lewis.

297. Under the existing system there is naturally a great temptation to a contractor to

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Penalties for
Delay in Delivery of Hulls, Machinery, &c.—
*continued.**Mr. Herbert Lewis*—continued.

treat the building of a ship for the Admiralty as a sort of stock job, and to turn the hands upon that particular work simply when work is slack?—Always remembering that the Admiralty is his best customer and he cannot treat the Admiralty quite with defiance.

298. The Admiralty have the power of striking him off the list?—It has the power of striking him off the list and not asking him to tender again.

Chairman.

299. In fact, I suppose your remedy, if you wanted to bring pressure to bear, is not by enforcing the penalty in the case of the particular work but by withdrawing other work from the contractor?—Yes.

Mr. Austen Chamberlain.

300. Have you any reason to believe that private shipowners or big ship companies either try to or do enforce penalties if their ships are late in delivery?—I believe they do not.

Mr. Cohen.

301. If the Admiralty believed they were being unreasonably treated, that preference was being given to foreign customers, for example, then the penalty they could enforce would be by withholding their orders from that contractor?—Yes.

302. That would be more severe than the money penalty?—Yes.

ADVANCES TO CONTRACTORS UNDER EXCEPTIONAL
CIRCUMSTANCES.*Mr. Brodie Hoare.*

303. In paragraph 15 two cases of advances of an exceptional character are mentioned, the first being the sum of 50,000*l.* Is this the first instance of a large advance like this, 50,000*l.*, being made in this form?—Yes.

Mr. Banbury.

304. As I understand, the last paragraph does not apply to this first case?—No, they are two distinct transactions.

Mr. Brodie Hoare.

305. Was this a firm (I will not ask the name) with which the Admiralty had done business previously?—Yes, and they have had very good results from them.

306. They are people of financial stability?—Yes.

307. But for some reason or other they wanted one special advance?—Practically they had put into the ship some 80,000*l.* worth of work, and yet no one instalment had become due.

308. They had built the ship without regard to instalments, but they had put all the money in in some way or other?—Yes.

309. It.

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Mr. PHILLIPS, Mr. CHALMERS, C.B.,
Mr. AWDRY, C.B., Colonel PEASE, C.B., and Colonel RABAN, R.E.

[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Advances to
Contractors under exceptional Circumstances
—continued.

Mr. Brodie Hoare—continued.

309. It was not really an advance, as I understand, but they had got perhaps half-a-dozen instalments all but due to them?—Yes, we had got more than the equivalent of our money in the ship itself.

Chairman.

310. It struck me as I read this paragraph that possibly this advance was for plant; is that so?—No; it was for part of the ship which they had built.

311. I do not know whether it is so with regard to ships, but I believe with regard to works you do not make any allowance for plant, do you?—Not for plant, but for stores we do.

Mr. Herbert Lewis.

312. (To Mr. Chalmers.) What view do the Treasury take as to this point?—The Treasury sanctioned this special advance on the ground which has been just mentioned, that work had been done—not indeed within the two instalments in question, but outside, and extending over more instalments to a considerable value, and that in making the payment the Admiralty was not needlessly parting with its money.

313 I suppose it was outside the ordinary lines and precedents?—That was the reason why the Admiralty came to the Treasury for sanction.

314. But the circumstances, in the opinion of the Treasury, justified the Admiralty in departing from the ordinary precedent?—We sanctioned such departure.

Chairman.

315. (To Mr. Awdry.) It is very desirable, I suppose, in the opinion of the Admiralty, that you should have a little freedom of this sort?—I think so.

316. Am I right in saying, in this instance, you not only had the stuff in the ship, but you had also the bond of one of the partners?—Yes.

317. (To Mr. Chalmers.) Under those circumstances the Treasury thought it perfectly safe?—Perfectly safe.

318. (To Mr. Awdry.) And, being safe, the Admiralty thought it was very advisable?—Yes.

319. The second case referred to in the paragraph is an advance of 12,410*l.* made with Treasury approval, "but in this instance the advance was restricted to specified instalments, and the amount was held by the Admiralty to be fully covered by the value of the work done and allocated to the particular instalments." It seems to be a very similar case, except that in this case there was no personal bond?—That is so.

Mr. Banbury.

320. If you read a little further it would seem it is not quite a similar case; because apparently in this case the company got into difficulty. I

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ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Advances to
Contractors under exceptional Circumstances
—continued.

Mr. Banbury—continued.

do not quite gather whether the only thing the Admiralty fear is that they will not recover the interest or whether they have not got the work?—They have got the work.

321. Then you will not suffer any loss except the interest?—No, and I do not know that we shall lose the interest.

Mr. Brodie Hoare.

322. Are they going on with the work now?—It is practically completed.

323. Were they engines and that sort of thing?—Yes, machinery.

Mr. Austen Chamberlain.

324. If the Admiralty had not made the advance the contractors might perhaps have had to stop payment?—As a matter of fact they did stop payment afterwards and they are in liquidation. We have had to take the thing over and advance the money from week to week.

Chairman.

325. But you have got the advance in the shape of work done?—Yes.

326. (To Mr. Chalmers.) Are you satisfied as to both these cases?—The Treasury took the line that the grounds of naval policy on which the Admiralty came to us, namely that they must have the ships, were so strong that the Treasury were not justified in opposing the proposed departure from what is the ordinary financial course.

327. (To Mr. Phillips.) Have you any remark to make on these cases?—No. The object the Comptroller and Auditor General had in writing this paragraph was to bring under the notice of the Committee the fact that these advances had been made and that these advances were clearly altogether outside those which were authorised by the Committee of Public Accounts in 1890.

Mr. Austen Chamberlain.

328. To bring to notice the fact that it was an exceptional case but not that it was an improper case?—Exceptional, but not improper

SPECIAL ADVANCES TO THE RECEIVERS AND
MANAGERS OF A COMPANY IN LIQUIDATION.

Mr. Brodie Hoare.

329. Paragraph 16 refers to a similar case. Is the firm referred to here the same firm as in the previous paragraph?—No, I may mention the names of the two firms because they are both in liquidation. The firm referred to in paragraph 15 is Earle's Shipbuilding Company; and in paragraph 16 the firm referred to is Maudslay Sons and Field.

Mr. Cohen.

330. Do the Admiralty inquire into the financial

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Mr. PHILLIPS, Mr. CHALMERS, C.B.,
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[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Special Advances to the Receivers and Managers of a Company in Liquidation—*continued.*Mr. Cohen—*continued.*

financial solidity of the firms before they make advances?—They do.

331. Is it not remarkable that notwithstanding those inquiries two cases out of three have turned out unsolid which presumably they thought solid; is that due to defects in the investigation, do you think?—I should think it must have been attributable to that.

332. Does not it occur to the Admiralty that more careful inquiries should be made into the solidity of the firms before they make the advances, seeing that these investigations that they instituted have resulted in two out of three firms turning out not to be solid?—I may tell you, without divulging secrets, that the experience in this particular case will give rise to stricter inquiries in the future into contractors' financial status, before any contracts are entered into.

333. If the Admiralty were properly informed I presume they would not make advances unless it believed that the firm to whom they were advancing was a solid firm?—Quite so.

334. Nor would they give a contract to them?—Nor would they give a contract.

Mr. Banbury.

335. Still I believe Maudslays was quite an exceptional firm; they had a very old business, had they not?—Yes.

Mr. Cohen.

336. I was not reflecting upon any firm; I did not know the name of the firm in this case?—In this case it was Maudslay, Sons and Field.

Mr. Banbury.

337. Maudslays had been a public company for 10 years, they had a large capital, and it was quite an exceptional case?—Yes; they have turned out some of the best work in England.

338. I suppose you found difficulty in finding another company to do the work?—We had to do it ourselves.

Mr. Herbert Lewis.

339. (To Mr. Phillips.) Can you tell the Committee what were the conditions laid down in the 6th paragraph of the Fourth Report of this Committee of 1890 referred to in paragraph 16, as the conditions upon which advances should be made?—I have already read those conditions this afternoon; I shall have great pleasure in reading them again: "These so called 'special cases' may be defined as cases which fulfil the following conditions: (a) Although the instalment is not due the advance has been really earned." That is the first condition. The second is: "(b) The work done for which the contractor cannot claim payment at so early a date is work which has not been provided for in the Estimates of the following year, but formed part of the authorised programme of the current

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Special Advances to the Receivers and Managers of a Company in Liquidation—*continued.*Mr. Herbert Lewis—*continued.*

year and has in that year been provided for by Grant from Parliament." The third condition is: "(c) The work done and the materials used are capable of identification on the premises of the contractor, as having virtually become the property of the Crown."

340. In what respect do you think this particular case does not comply with those terms?—The advances which are referred to in paragraph 16 are simply advances for wages from week to week. Such advances as those were not contemplated by the Committee of 1890.

Mr. Brodie Hoare.

341. (To Mr. Awdry.) The Admiralty never contemplated that any firm would fail and the Admiralty would have to complete the work themselves, but they had to do it or make a dead loss; was not that so?—Quite so.

Mr. Herbert Lewis.

342. (To Mr. Chalmers.) What view does the Treasury take of these cases?—In the first instance this began with specific advances, which the Treasury understood to be within the four corners of paragraph 6 of the Committee's Report of 1890 which has just been read. Subsequently the Treasury learned that instead of the payment by the Admiralty being a reimbursement of past issues by the contractor, it was a case of advancing the money required for the purpose of doing the work in future; and this the Treasury is quite aware is outside the conditions laid down by this Committee in 1890; but the Treasury thinks that it gave the only decision it could, namely, that the work must be done on those lines and there was no other way to do it.

343. Seeing that the work had proceeded so far?—That is so.

Mr. Austen Chamberlain.

344. If the Treasury had refused to sanction this proposal would the result have been a great delay in constructing the machinery and ultimately the ship itself?—Certainly.

345. And in view of the presentation of the Admiralty as to the urgency for the completion of the ship the Treasury did not feel justified in refusing their sanction to the only method by which the ship could be rapidly completed?—That is so,—accepting the Naval policy from the Admiralty.

Mr. Herbert Lewis.

346. (To Mr. Awdry.) What have you to say in reply to the remark of the Comptroller and Auditor General "that no instrument of agreement between the Admiralty and the Official Receivers and Managers of this firm for protecting the public against possible loss appears to have been executed"?—Our solicitor dealing with their solicitor endeavoured to get the
Official

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[Continued.]

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Special Advances to the Receivers and Managers of a Company in Liquidation—*continued.*

Mr. Herbert Lewis—continued.

Official Receiver to give us some sort of security. He said he was appointed by the Court as Official Receiver, and he said naturally enough he was not going to give his personal bond.

Mr. Austen Chamberlain.

347. Has the position altered since then?—No, except that the work is very nearly finished; we have got all the machinery. Most of this machinery was made and put up in London, and then it is transferred to our dockyards, so that in all these cases of advances we have the material in our possession.

348. Has the work been done satisfactorily?—Yes.

ABSTRACT APPROPRIATION ACCOUNT, 1899-1900.

Vote 8.—III.—Contract Work.—Special Advances to the Receivers and Managers of a Company in Liquidation—*continued.*

Mr. Brodie Hoare.

349. Is the cost more than it would be if it had been done under the contract?—It will cost a little more; somewhere about 31,000*l.* above the contracts on the four ships.

350. On a total cost of what?—Over half a million.

351. What percentage would that represent?—It would represent about 6 or 7 per cent.

Chairman.

352. Is the Committee to take it that practically you have not lost anything material out of the advances you have made, inasmuch as you have stuff for it?—Yes.

[The Witnesses withdrew.]

Wednesday, 20th March 1901.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Austen Chamberlain
Mr. Cohen.
Sir Thomas Esmonde.

Mr. Goddard.
Sir Brampton Gurdon.
Mr. Herbert Lewis.
Sir Robert Mowbray
Mr. Pym.

SIR BRAMPTON GURDON IN THE CHAIR.

Mr. FRANCIS PHILLIPS and Mr. ROBERT CHALMERS, C.B., called in; and Examined.

NAVY APPROPRIATION ACCOUNT, 1899-1900.

Mr. RICHARD DAVIS AWDRY, C.B., called in; and Examined.

VOTE 9.

LATE DELIVERY OF 12-INCH GUNS AND ENFORCEMENT OF PENALTIES.

Chairman.

353. (To Mr. Phillips.) PARAGRAPH 18 of the Report refers to the question of inflicting penalties in cases of delay in delivering 12-inch guns under contract, and the Comptroller and Auditor General refers us to paragraph 7 of the Report on the Navy Accounts, 1898-99, and to the Second Report of the Public Accounts Committee, 1900, where it was pointed out that out of six guns that ought to have been delivered only one was delivered; it was eight months in arrear and it was defective in its rifling. This question was referred to as unsettled in the Report of our Committee last year. Since that it appears from the last sub-paragraph of paragraph 18 that four guns have been finally accepted as serviceable, three guns have been finally accepted at a reduced price, two guns

Chairman—continued.

have been rejected for defects to be remedied, and that the question of enforcement of penalty in these cases is expected to be shortly decided. I think the first question I have to ask is, has anything further been done on the subject?—Nothing further.

354. (To Mr. Awdry.) Have you anything further to say upon the point?—Colonel Thales Pease, as Storekeeper General of Naval Ordnance, at the last meeting gave you certain explanations, and he is here to-day to give you any further explanations you may require. He deals more directly with these matters; and you might, perhaps, prefer to have the information from him as an expert upon guns, rather than from the Accounting Officer.

Colonel THALES PEASE, C.B., called in; and Examined.

Chairman.

355. HAVE you any explanation to give as to the late delivery of these guns and the enforcement of penalties?—The whole of the guns under that contract have been delivered, and the state of matters is as has just been read out. The question of the fines is under the consideration of the Admiralty but has not yet been decided.

356. (To Mr. Chalmers.) Have you anything further to say upon the subject?—The Treasury has no knowledge of itself of any of the facts there referred to.

On VOTE 9.

NAVAL ARMAMENTS, SUB-HEAD D.

Mr. Goddard.

357. (To Mr. Awdry.) As regards Sub-Head D. on page 36 of the Account "Wages, &c., of Police Force," I see there is a considerable excess of over 2,000*l.* on the Police Force, which is stated to be necessary owing to these additional cordite magazines, as I understand; those magazines must have been building for some time and it must have been known that more police protection

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Mr. PHILLIPS, Mr. CHALMERS, C.B., Mr. AWDRY, C.B., and
Colonel PEASE, C.B.

[Continued.]

NAVY APPROPRIATION ACCOUNT, 1899-1900.

Vote 9.—Naval Armaments, Sub-Head D.—
continued.

Mr. Goddard—continued.

tion would be required for them; why was it not put into the Estimate?—We rested a great deal upon the opinion given by the Commissioner of Police; it is he who tells us what police are requisite, and he had never estimated for these additional police.

358. Am I right in stating that the effect of putting it in this way is that you spring upon the Accounts a charge of 2,000*l.* which is simply made by the sanction of the Treasury when it could just as well have been done in the Estimates, and by a Vote of the House; is not that the effect of this method of dealing with it?—Yes, that is the effect; but it is almost impossible to foresee everything for 12 months ahead.

359. (To Colonel Pease.) I think there is this further point arising on the same subject, viz., that some unclimbable fencing is proposed to be erected to protect these places; has any decision been come to with regard to that matter; are these police likely to be only temporarily employed?—An unclimbable fence has been erected entirely round the magazine at Marchwood. An unclimbable fence has been erected partly round the magazine at Priddy's Hard, it will be completed shortly. An unclimbable fence has been erected at the Upnor magazine, and one is about to be erected round Bull Point Depot. Then a fifth powder station is being formed at Chattenden, which is three miles from Chatham, and an unclimbable fence is in course of erection there at present.

360. Does the erection of this unclimbable fence do away with the necessity of these extra police?—No, the extra police are necessary at present because the unclimbable fence is not yet finished. Moreover, lately, at all the Naval Ordnance Magazine Stations, there have been large increases in the number of magazines and the quantity of explosives stored, and the Commissioner of Police thought additional constables were necessary at each of these stations.

361. As I make it out there is an extra charge of 1,281*l.* which has been incurred for these police; as soon as these fences are erected, will that amount of charge disappear?—No, it will not disappear, for this reason, that additional police will be required at Chattenden which are not required at present, and those additional police will absorb the 1,200*l.*; but these additional police for whom the 1,200*l.* is paid will be reduced when the unclimbable fences are completed.

Mr. Austen Chamberlain.

362. Do I understand you to mean that the particular place for which the police we are now considering were provided will be so much protected by the unclimbable fencing that it will be possible to reduce the police there; but that there has been an extension, a magazine, at another site, Chattenden, which will require fresh police, and therefore there will be no relief

NAVY APPROPRIATION ACCOUNT, 1899-1900.

Vote 9.—Naval Armaments, Sub-Head D.—
continued.

Mr. Austen Chamberlain—continued.

in the total of the Vote, although the money will be applied to Chattenden instead of being applied to Portsmouth?—That is so.

Mr. Blake

363. In fact, this excess is a temporary vote for an emergency; but when we get rid of the temporary emergency you will have to meet this permanent charge by reason of this station at Chattenden?—Yes.

Mr. Goddard.

364. There is a Treasury letter, on page 149, of 30th May 1899, which says that "the additional police will be withdrawn when the fencing is completed, and" the Treasury "hope that no time will be lost in dealing with the requirements under this head"; the question I want to ask is has that been done, is the fencing well in hand, because a yearly charge of 1,281*l.* would provide a good deal of unclimbable fencing, would it not?—Not very much; that fencing is very expensive.

365. But that is a year's payment; that would represent the interest on the outlay, I presume; 1,281*l.* is what we are paying for police?—That was the sum paid in two places where there were additional police; but where the fence has been completed the additional police have been withdrawn therefrom.

Sir Robert Mowbray.

366. But they have been put in another place?—They have been put in another place.

Mr. Goddard.

367. They will come on the Estimates of this year?—Yes.

Mr. Austen Chamberlain.

368. The Police charge for Chattenden will appear in the Estimates in the usual form?—In the usual form.

Chairman

369. I take it that would have been an additional charge if it had not been for this unclimbable fence; that will make a corresponding saving?—That is so.

Mr. Austen Chamberlain.

370. (To Colonel Raban.) Can you tell us how far the erection of the unclimbable fence at Priddy's Hard has proceeded?—We are really stopped from completing it by the arrangements about the land. We have the fencing ready to erect, but there are some questions about the danger limit which prevent our finishing the fencing.

371. That is to say some questions as to the exact amount of land you should enclose, and the exact position of the fence to be erected?—Yes.

372. You

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Vote 9.—Naval Armaments, Sub-Head D.—
*continued.**Mr. Austen Chamberlain—continued.*

372. You will be in a position to erect the fence as soon as that question is settled?—Certainly.

LATE DELIVERY OF 6-INCH GUNS AND
ENFORCEMENT OF PENALTIES.*Chairman.*

373. (To Mr. Awdry.) Paragraph 19 deals with the late delivery of 6-inch guns and enforcement of penalties. The correspondence with regard to this matter is at page 221, and I should like to ask you whether any further information has come from the War Office since that correspondence, which is published on page 221. I see the Admiralty letter says "It will be seen from this correspondence that the two departments are not in accord as to the practicability of enforcing the penalty, and in the circumstances my Lords have considered it desirable to obtain legal advice on the subject, before finally deciding what action shall be taken"?—As Colonel Pease told you last week, the Government decided in the case of some of these 6-inch guns to enforce the penalties, and they have enforced penalties of over 700*l.*, and obtained the money.

374. Is that since the correspondence?—Yes. (Colonel Pease.) Yes, it was only paid last month, 770*l.* is the amount.

CREDITS TO SUB-HEADS F., G., AND I., IN
RESPECT OF NAVAL ORDNANCE STORES TRANS-
FERRED TO ARMY FOR SOUTH AFRICA.*Chairman.*

375. (To Mr. Chalmers.) If you refer to page 36 of the Account you will see, under "Naval

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*—continued.**Chairman—continued.*

Ordnance Stores," the peculiar course that has been followed here in regard to certain sub-heads, that is to say that the extra receipts instead of appearing under Sub-head M. below, have been deducted from the expenditure. I should like to ask why did the Treasury take that course?—As the Committee will see from page 36, the grant to the Admiralty in respect of Sub-head F. for the purchase of guns was 751,500*l.*; that was to provide the Admiralty and not the War Office or any other department with guns. Had the transfers to Army for South Africa, amounting to 2,812*l.*, not been treated in the way in which they have been treated in the Account, the result would have been that the Navy Grant would have been automatically reduced by nearly 3,000*l.*; it would have been no gain to the War Office and a distinct loss to the Admiralty. The procedure that has been adopted, as shown in this inner notation, gives the Admiralty the power of spending exactly what Parliament put at its command; but the facts are shown for the information of Parliament. It depends upon a principle which is the accepted principle of the two departments; a great many of the guns are to be interchangeable, and are to be freely given up by the department possessing to the department requiring them in the interests of the public service. But the facts are clearly shown, and I think rightly shown, on the Account.

376. Those two sums will appear, of course, in the Army Appropriation Accounts as expenditure?—They will form part of the expenditure of the Army for this same year.

377. Under Ordnance Stores?—Yes, under Vote 9.

VOTE 10.

WORKS, BUILDINGS, &c.

Colonel EDWARD RABAN, R.E.; called in, and Examined.

CLASSIFIED STATEMENTS OF RESULTS UNDER ITEMS OF WORKS IN 1899-1900.

Chairman.

378. (To Mr. Chalmers.) PARAGRAPH 21 refers to the usual classified statements of results under Items of Works in 1899-1900; those classified statements appear at pages 204 to 218. It is a very interesting statement, but, so far as I am concerned, I have no questions to ask except with regard to Statement 3, "Items of works commenced without Parliamentary approval but with Treasury authority." There are some very large items included in that statement; they will not come before Parliament otherwise than through this Report, I suppose?—They would not come before Parliament except in connection with this Report in the case of works completed in the year to which the Report relates; but as

Chairman—continued.

the Committee will see, most of these cases are instances of works being commenced in the year under review but continued in subsequent years, and in respect of those subsequent years they will be included in the ordinary Navy Estimates which come under the cognizance and review of the House.

379. And so the House will have an opportunity in those cases of making remarks upon those large excesses?—That is so.

Sir Robert Mowbray.

380. In the case of any of these works that are begun under Treasury sanction without appearing in the Estimates, if they go on into another

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another year may it be that the House of Commons is precluded from discussing the principle of the estimate by the fact that the works have been already begun under Treasury sanction; it goes to the root of the matter, does it not?—It does go to the root of the matter, but I should say that the House of Commons as such was in no way precluded by the action taken by the Treasury from considering the thing *de novo*, except that, as a matter of fact, you have the accomplished fact that the work has been begun before it comes under the notice of Parliament.

381. The work has been begun and I will not say the House of Commons is thereby precluded, but it may be prejudiced?—That is so.

382. Because it might not be worth while to waste the preliminary expenditure by refusing the subsequent expenditure?—That is so.

383. That, I suppose, is taken into consideration by the Treasury in sanctioning the expenditure in the first instance?—Yes. May I say a word upon the principle that always governs the Treasury procedure in connection with works of exactly this character, namely, in sanctioning new works which have not appeared in the Estimate. The Treasury derives its power from that section of the Appropriation Act of each year which states that the Treasury may temporarily sanction expenditure should its postponement be detrimental to the public service. That provision in the Appropriation Act relates, it is true, to transfers between votes; but, in practice, it is the same principle which guides the Treasury in deciding whether it should sanction the diversion of Parliamentary moneys to new services. The principle is always whether the Treasury is satisfied that to postpone the work would be detrimental to the public service, and the Treasury always requires an assurance of that character in the case of the Navy Vote from the Admiralty, and, in the case of the War Office Vote, from the War Office.

Mr. Goddard.

384. (To Mr. Awdry.) There is one question arising out of these items mentioned on page 212, under the heading of "Portsmouth: Rebuilding Nelson Monument on Portsdown Hill." I want to ask a question about that, because though it is a matter of detail, it seems to me it raises a great question of principle also. By arrangement with the Treasury, I understand, this monument was taken over by the Admiralty from the War Office; I think that is so, is it not. On 2nd June 1900 the Admiralty wrote asking for permission to pay more than the estimated sum, which was 1,200*l.*, which sum was arrived at without being put up to public tender. The local War Department triennial contractors were asked to submit a price, and they did submit a price, and a contract from Messrs. Light and Son for 974*l.* was accepted. The work was done and the bill, amounting to 1,091*l.*, was paid. Then the

Q.14.

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contractors said that the work had actually cost them 1,400*l.*, involving a loss to them of 320*l.* 7*s.* 3*d.*, and they asked that the amount of their loss might be paid to them. The Admiralty, so far as I can gather, examined their books and asked for Treasury sanction to pay this sum of 320*l.*, together with some other excesses, in all 1,638*l.*, instead of the 1,200*l.* estimated. I want to ask first how was it the estimate was not nearer than that. There is a great difference between 1,200*l.* and 1,638*l.* Then in the next place I want to ask is this the principle which is to be recognised: that when a contractor makes a loss on a particular job he is to be relieved of that loss under Treasury sanction, by the balance being paid to him, because if that is the principle upon which you go I would ask are the contractors asked to return any extra profit they make. That seems to me the natural corollary. I understand the view of the Treasury, by the letter on page 160, to be that they do not admit that the mere fact of the contractor's books showing an expenditure exceeding the contract price to be an adequate justification for making good such excess; but if that is the opinion of the Treasury why in this case have they allowed this sum to be paid. If that is the principle upon which they go I cannot see where the end is to be. Though it is a small point in itself it seems to involve a considerable matter of principle as to whether any contractor who finds himself at a loss after sending in a contract is to come and get Treasury sanction to pay him the amount of the loss?—Perhaps you will allow Colonel Raban, who entered into the contract, to tell you the nature of it, and how it differed from ordinary contracts.

Chairman.

385. (To Colonel Raban.) You heard the honourable Member's question. Will you please answer it?—First of all I should like to say that this was quite an exceptional case, and it must not be at all assumed that we are in the habit of doing things of this kind. It is a very exceptional case. The circumstances under which this work was carried out were that we had taken over the work, as the correspondence shows, as an Admiralty service, and in order to find out what had to be done we asked the local War Department triennial contractor to erect scaffolding to enable the officers to examine the monument and say what had to be done. I think he rather thought he might have an opportunity of getting a good price for it, and his price was excessive. Then we considered whether we should carry it out ourselves with departmental labour, but it was far away from the dockyard and it was difficult for us to do so. There was a certain amount in favour of it because it was a very difficult job to estimate the cost of. We had another firm of

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contractors

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contractors (men very well known to us—Messrs. Light) who were in a position to do this work, and the local officer in charge of the works asked them for a tender for the work. They gave us a tender and carried out the work satisfactorily, and then they said that they had sustained this loss on it. A contractor sometimes makes a gain and he must sometimes make a loss, and *prima facie*, as the honourable Member says, he must stand to his loss when he has made a loss upon the estimate; but in this particular case because he had been asked to give us a price, because the work was of a nature that could not be readily foreseen (for I want to impress that point upon the Committee very strongly, that it was difficult for anyone to say what he would have to do when he came to execute the work); the Admiralty considered all that, and on the whole came to the conclusion that if they were satisfied by an inspection of the man's books that he had lost in this particular case, they would ask the Treasury to repay him that amount. Under those special circumstances they obtained the leave of the Treasury to repay him that amount. It was also mentioned that the estimate had been largely exceeded. It had been largely exceeded for those same reasons: that it was work as to which it was almost impossible to tell beforehand exactly what you would have to do when you came to put up your scaffolding, and to know when you cut out the stone how much you would have to replace. Part of the excess was due to the fact that we had to pay the first contractor for putting up the scaffolding, in addition to what we paid to the second.

Mr. Banbury.

386. You said the contractor was asked to tender and you made rather a point of that. Was he asked because he had been in the habit of doing Admiralty work; was it suggested that it would be a favour if he did tender, or was he merely told that if he sent in a tender it would be considered?—He was not asked to do it as a favour, but he was asked to tender alone.

387. Is it not an advantage to a contractor to be asked alone instead of putting in a tender in competition with other competitors. I should say that was an advantage, because, if he is alone, provided his tender was reasonable, it would be accepted. If there are other competitors his might be a reasonable tender, but there might be some one else's tender which was 20% cheaper and he would lose his trouble; but in this case, provided it was a reasonable tender, he would have the advantage of getting the work; and therefore, instead of its being a reason to give him the extra money because he was the only tenderer, I should have thought it was a reason the other way?—He was not asked to do it as a favour, but he was the only person asked to do it. His tender was compared with our own estimate of what we considered we could do it

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at. We seriously considered whether we should not carry it out by our own labour. I made a careful estimate of what we could do it for and his tender was less than my own estimate for doing the work.

388. Would it not have been better, when you received his tender, if you thought it was a tender which would not enable him to do the work at a fair remuneration to himself, to have pointed that out to him; surely that would have been better than to break down the ordinary principle that obtains in every business transaction: that when you enter into a bargain you must stand to it whether there is a profit or a loss?—This was a very exceptional case.

Mr. Cohen.

389. Did he know that nobody else was tendering against him?—I think no doubt he knew.

390. Then surely "tender" is the wrong expression to use. It is really an estimate. This man was to undertake the work and you wanted to know what he would do it for—that is not a tender—a tender implies competition, does not it?—He was the only man asked.

Mr. Goddard.

391. If this work had been put up to public tender (which I do not see any reason why it should not have been) you would never have dreamt of paying this sum of money that the contractor said he lost, would you?—We might have done so in an exceptional case.

392. Would you if it had been put up to public tender?—Yes, if we found that there was work that could not have been foreseen when it was thrown upon the contractor. We make, so far as we can (though not invariably), lump sum tenders, and we give the best information available, but our conditions of tender are rather stringent; we are inclined rather to put all possible responsibilities upon the contractor. I have been trying to reduce the responsibilities we put upon them; but if there had been public competition in this case, I think, having regard to these exceptional circumstances, in view of the difficulty of foreseeing what the work would really turn out to be, we might have asked the Treasury for leave to pay any man whose tender had been accepted upon public tender an increased price on account of the extra work done when it came to be opened up.

393. Does not that strike you as an exceedingly dangerous precedent, because if you do it with one contractor (and I am speaking of public tenderers, because you say it might apply to them), what justification can you give for not doing it in all cases?—It would be a very exceptional thing; but I hope it will be regarded as a case in which a great public department ought to do justice if there were exceptional circumstances. I hope it will be very exceptional indeed, but I do think it ought not to be absolutely

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absolutely barred. If something that could not be foreseen came to light when the work was opened out, I think we should do justice by making an allowance to the contractor, although it may not be strict law.

Mr. Pym.

394. This thing was put before this contractor not as a tender but as an estimate, as I understand; when it was put, in the first instance, to other contractors, the amount they quoted was 2,589*l.*; and that you thought a great deal too high?—Yes.

395. Would it not be the case that when work of this kind is put before another contractor not as a tender, but as an estimate, there would be no reason or object in his naming a very low price?—Do you mean the first contractor?

396. No, I mean the second one; as an estimate there would be no object in his doing so, would there?—No.

397. Consequently, if his estimate was 974*l.*, it was purely and entirely a mistake on his part in forming an estimate as regards what the cost would be?—Yes; but I should like once more to emphasise that the reason mainly influencing, or largely influencing, us in this case in asking the Treasury to make the concession was that as the work came to be opened up it proved to be more costly than could reasonably have been anticipated.

398. But the real difficulty which the contractor had was to make a correct estimate as to what the amount would be that was required to perform this work?—Yes.

399. He estimated lower than the real cost was, and it was in consequence of that that you made this application to the Treasury to pay the difference?—Yes. Perhaps I did not make myself clear. The reason for going to the War Office contractor in the first instance was that, under the War Department's triennial contract, we are entitled to ask them to do certain work on scheduled payments. The War Department have contractors who carry out their ordinary triennial contracts all over the country: we do not do that kind of work; but this being an out of the way place on the top of Portsdown Hill we got the War Office contractor to put up the scaffolding on their schedule of prices—

Mr. Austen Chamberlain.

400. Before you leave that point let me ask did you go to the War Office contractor or had the War Office itself gone to their contractor and caused him to put up a scaffolding in order to examine the monument before the Admiralty were asked to take charge of the monument?—I cannot quite remember.

401. I think you will find that the War Office contractor had actually a scaffolding at the monument and had reported to the War Office 0.14.

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what the expense would be. Have you any recollection as to that; was it not upon the report of the contractor as to what he estimated the cost of repairing the monument to be that the War Office represented to the Treasury that it was not a War Office service, and that it ought to be taken over by another body?—I do not remember at the moment, but I can make it quite clear at the next meeting of the Committee. My point is that the War Office contractor was available at any time to be called upon to do the work. Then having got the scaffold up he is asked for a price as, being the man who has erected the scaffold, he ought to be in a position to do it cheaply; but we get this very high tender from him. Then the next thing I always turn my thought to is, Can I do it cheaper, doing it myself with my own men? I call upon the local officer in charge of the works, and he makes an estimate himself what he can do the work for, but he tells me that, owing to the difficulty of sending men such a distance from the dockyards, he thinks it can be done cheaper by this other contractor, whom we know very well, and he asks him for a price. That is how his price comes before us—not in public competition.

Chairman.

402. Do I understand you to say that this man was a local contractor, and on account of this place being out of the way it might be difficult to ask others to tender?—No; he is a Portsmouth contractor; we could have asked others.

Mr. Banbury.

403. I understood you to say just now that the difficulty was that the work was of a complicated nature, and this man could not really make a correct estimate as to what it would cost; but, in answer to Mr. Goddard, I understood you to say there were extra works done. If there were extra works done, he is entitled to extra payment. I see in the letter printed at the bottom of page 159 that the contractor had already been paid a sum of 1,091*l.* instead of 974*l.*, which was the tender, on account of extras; if he had already been paid a sum on account of extras, why should he be paid a further sum also on account of extras?—I could explain it more fully if I had the accounts here; but I may say this, in all our contracts we try, whenever we can, to make a lump sum contract for specific work, but it very frequently happens that there are works not included in that that arise; that is to say, for instance, the contractor might have had a lump sum for restoring this monument, and there might quite conceivably have been some other works (I cannot say more definitely without reference to the papers), such as a fence round it, which would be paid as extras as not being within his lump sum.

404. That everybody would be agreed upon,
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but that does not seem to arise here, for he had already received a sum for extras, bringing it up to 1,091*l.*; where does the other 300*l.* come in; that can only be an error of judgment on the part of the contractor, I suppose?—Yes, from the difficulty of doing the work.

405. Then it is not for extras; it is from an error of judgment on the part of the contractor?—From the difficulty in estimating what the expenditure would be.

Mr. Blake.

406. I understood you to say that the work in its nature was of a character that rendered it difficult, or perhaps impossible, to make an accurate calculation; there was work that was unseen, I suppose?—Yes.

407. That involves a question of estimate or conjecture. A contractor knows there is this work as to which he cannot tell or cannot form a judgment, and therefore he puts in, or ought to put in if he is a prudent man, a certain sum for the contingency which is not capable of accurate calculation. Upon the other basis, supposing this had been let to public tender (for I understand you propose to apply the same principle to public tender under the same circumstances), it would have been the duty of every tenderer to have made an estimate based upon the allowance that certain things were not known, and that he would have to stand by his contract. How is it possible to say there is any good in getting tenders if, after what is unforeseen becomes seen, and it turns out that the conjecture is erroneous you are to pay what it happens to have cost?—The only answer I can make, I think, is that these points were all very fully considered by the Admiralty, and they decided that this was an exceptional case justifying this appeal to the Treasury. I am afraid there is hardly anything more for me to say in explanation than that; I am so entirely agreed with everything that has been said about the ordinary rule for dealing with contractors. This was considered to be an exceptional case after consideration.

Mr. Austen Chamberlain.

408. I should like to ask you one or two questions about this case to get it quite clear, and then to ask Mr. Chalmers about the view of the Treasury in the matter. I think Mr. Blake put the case extremely well, that you had asked the contractor for an estimate for doing work, the exact amount of work being a matter of conjecture which could not be ascertained until it was actually done. I think you agree with that statement?—Yes.

409. When the work is actually done you find that the contractor has seriously under-estimated the amount of the work requiring to be done; that is so, is it not?—Yes.

410. You thought there was nothing unreason-

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able in the estimate he had made with the knowledge he had before he began the work?—His estimate we considered a low one.

411. But when you knew all that he had to do did you consider that he ought to have foreseen that the work was very much greater than he had estimated for?—I think it was considered in this particular case that it could not be said that he ought to have foreseen that; and that was the ground for making this payment.

412. In any case of works of this particular class where you take a lump sum tender there would be a great element of conjecture, would there not, as to the amount of work to be done?—Yes, in such work as this; of course the works vary so very much.

413. I am only speaking of works of this kind?—Yes.

414. I think Mr. Blake put to you that the contractor had got to estimate what the amount of work might be, and in his price to insure himself against the contingency of its coming out higher than he foresaw?—Yes.

415. Is it the view of the Admiralty that if they make no allowance when there has been a *bonâ fide* mistake on the part of a contractor, and when they have ascertained, by an examination of his books, that he has actually made a loss and is out of pocket, the result will be that in future tenders of the same kind contractors will put on a very high price to insure themselves against any possibility of loss?—Yes, that has been the practice, and in point of fact we are trying to somewhat relax our very hard and fast rules by which we put every conceivable possible source of risk upon the contractors, and therefore have to pay for it whether it occurs or not.

416. That is the point I wanted to come to. I understand your view to be, therefore, that by occasionally relaxing the strict rules of the contract and showing a little indulgence to the contractor, which in law he is not entitled to, you will secure for yourselves better tenders in the long run over the great number of works you have to deal with, than you would if in every case, no matter what the difficulties of estimating were, you held the contractor strictly to his bargain; is that your view?—Yes.

Mr. Blake.

417. Do you mean to say that business men, contractors, are to so far speculate upon the benevolent views of the department in any particular case if they have made a mistake that they are going to tender at a little lower rate on that basis than if they make their contract knowing that they will be held to their bargain?—What I say is this: I am trying not to put in in my conditions of contract exceedingly arbitrary clauses.

418. That is another thing altogether?—That is my first point. Secondly, I think if, in excep-

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tional cases (and they are very rare) we do meet the contractors, it may and probably will influence the contractors in the prices they ask.

Mr. Goddard.

419. Do not you think that you would avoid all difficulty by having public tender. You avoid the risk of any man putting in an unusual amount to cover what may be unforeseen difficulties if you have public tender, because he comes into competition with other tenders. I cannot yet see why this work was not put up to public tender, when you would have avoided the whole difficulty?—It was quite exceptional.

Mr. Banbury.

420. But I understand you to say, if it had been put up to public tender you might have done the same thing?—It is so very rarely that we should do it; it is quite exceptional not to have a public tender. It arose out of my asking the local officer to give me his estimate and his thinking he could get it done cheaper. I was strongly in favour of doing it myself, but he thought he could do it cheaper in that way through this particular man who was doing work for us, and who he considered had facilities for doing it. It is quite exceptional—I want you to believe it is quite the one in a thousand, or rather more than a thousand cases where we do not take proper competitive tenders.

421. Are you of opinion that, having made this concession to this particular contractor will in any future work influence other contractors who had nothing to do with this particular thing, because I presume you do not confine all your work to this contractor?—No. I do think it will influence them.

Mr. Blake.

422. Do not you think that laying down this view for the information of public contractors opens up a very dangerous risk, viz., that if they have made a mistake under circumstances which are exceptional (and of course we know to each contractor each case is exceptional when he has made a mistake) they may not be held to their bargain, but the department will deal leniently with them and help them; that seems rather dangerous, does it not?—I think there is a certain danger in it, but on the other hand it is very difficult for the Admiralty, in a case where the people raise a *bona fide* claim for a further payment, to resist that claim when they are satisfied about its fairness, and not to pay a man whom they think ought to be paid a little more. I can assure you the thing was most carefully considered and decided by the Admiralty themselves, and they did feel that in this case there was, in view of all the circumstances, a claim. I see the honourable Member's point very

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strongly. It would be dangerous if contractors thought they could play fast and loose with the contract; I do not think the contractors have the feeling that they can play fast and loose with their contracts.

Chairman.

423. (To Mr. Chalmers.) Have you anything to say on behalf of the Treasury with regard to this point?—The Committee will see from the letter, part of which is printed at the top of page 160, that the Treasury was very reluctant indeed to interfere with the express terms of a definite bargain, and the mere fact of the contractors' books showing a loss would not in any way have decided the Treasury to make any extra payment whatsoever. But the Treasury took it from the Admiralty that the work was of a wholly exceptional nature, in which the estimate could not have been based on such satisfactory grounds as in ordinary cases; that the tender of the contractor was very low as compared with the tender which had been framed by the War Office contractor, and that the case, for those reasons, stood wholly apart. On those general grounds the Treasury, though with great reluctance, decided to sanction a payment beyond the terms of the express bargain.

Mr. Austen Chamberlain.

424. I understand you to say that the Treasury view any application for exceptional treatment of this kind with extreme jealousy?—With the most extreme jealousy.

425. That they are most reluctant to sanction it?—That is so.

426. And only do so where, in their opinion, very exceptional circumstances are made out?—Yes, and the exceptional circumstances must always eventually mean this: That we are dealing fairly with the contractor, having regard to the fact that the business of the Government as a whole is not confined to a single transaction, but extends over a series of transactions over a great many years; therefore the ultimate guide is whether it is fair. But this power is used with the very greatest reluctance by the Treasury, and only when they are convinced, as they were convinced in this case by the Admiralty representations, that the contractor had a claim to be specially dealt with.

Chairman.

427. (To Mr. Awdry.) May I call your attention to Statement V. on page 218, which is headed "Remanets"; I want to know whether I am right in describing these sums as sums which were actually voted in previous years, but not expended owing to the work not going on so fast as was expected; as the work extended over into the year we are considering, although there was no sum voted for it, because it was expected to be completed before, the Treasury authorised you

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[Continued.]

NAVY APPROPRIATION ACCOUNT, 1899-1900.

Vote 10.—Works, Buildings, &c.—Classified
Statements of Results under Items of Works
in 1899-1900—*continued*.*Chairman*—*continued*.

you, out of savings on other works, to expend these sums which, though not voted this year, had been voted and not expended in previous years; does that describe it?—Yes. That describes it exactly.

DOCKYARDS ABROAD.

Mr. Goddard.

428. (To Colonel *Raban*.) With regard to Sub-head C., "Dockyards Abroad," there is a small point I would like to ask you about at page 38. There is a sum expended of 5,880*l*. more than was granted. That item includes 2,700*l*. asked for Barrack Hut, Ascension Island. I understand that no provision was made for that when the estimate was drawn up, but that subsequently on the 27th November 1899, the Admiralty wrote to the Treasury the letter which appears at pages 166-7, to this effect: "It has become necessary to maintain an average permanent complement of 100 Marines on the island, which is nearly double the number for whom accommodation was originally provided, and there is consequently much overcrowding." The Admiralty wrote asking permission to spend 2,700*l*. in providing and sending out more huts for these people. What I want to ask is, when did this extra number of men become necessary, and why did they become necessary, and who is responsible for sending them out to that island where there was no accommodation for them, and they had to sleep on the ground or wherever they could. I do not find fault with the Treasury sanction being given for the expenditure, for it is an emergency that must be met; but I wish to ask why was the expense required?—I am afraid I am not in a position to say either when or why the extra men were sent. That is a question far beyond me. I can imagine that part of the reason why they were sent is that the best labour we get on Ascension for carrying out the work we do there is Marine labour; we have a certain number of Kroomen, but our best labour is Marine. But the question of when and why the Marines would be sent to Ascension must be a question much beyond the Director of Works. It was brought to my notice that there was this large number of men there and that they had most inadequate barrack accommodation; the cubic space was so small as well as the other accommodation that I did suggest that we should immediately ask the Treasury for leave to order this barrack-hut because I found it was intended to keep this increased number of men. The accommodation had been originally for a certain number of men, and the numbers have been increased for some reason which I do not know. As soon as I found that out I asked that the accommodation should be increased to provide proper accommodation for these additional men.

NAVY APPROPRIATION ACCOUNT, 1899-1900.

Vote 10.—Works, Buildings, &c.—Dockyards
Abroad—*continued*.*Mr. Goddard*—*continued*.

429. Can you tell me whether in the present Estimates provision has been taken for this double number of men; has it become a permanent addition?—I should think entirely, but I do not know.

430. (To Mr. *Awdry*.) Could you tell us why the number of Marines on Ascension Island has been increased?—It was the policy of the Admiralty to keep more Marines at Ascension. That is decided by higher authorities than either Colonel *Raban* or myself—by the Board itself.

Mr. Austen Chamberlain.

431. Was it a question of what is required for the defence of the island?—I think so.

432. I suppose what is really meant is that the ship's complement has been increased?—Yes. The Island of Ascension is a ship for the purpose of Naval discipline.

433. And the Naval authorities have thought proper to increase the complement?—That is so.

CASES OF EXCESS EXPENDITURE BEYOND TOTAL
ESTIMATE FOR WORK, 1899-1900.*Chairman*.

434. (To Mr. *Phillips*.) I observe, as regards the cases of excess expenditure on the same Vote, the Comptroller and Auditor General states that "the majority of the cases of excess expenditure beyond total estimate for the work require no special comment"; but that the Comptroller and Auditor General draws attention to certain items?—Yes.

Mr. Goddard.

435. (To Colonel *Raban*.) There is an item on Vote 10 I wanted to raise a question about: Under Sub-Head B. "Dockyards at Home," there is an item for Sanitary Improvements at Chatham; the original estimate was 5,000*l*. Treasury sanction was obtained for an increase of this sum to 5,900*l*., I think; it was further increased to 6,610*l*., and finally it was increased to 7,010*l*. I notice the Treasury, when they gave their sanction to the last increase, make a note that the total estimate which was originally 5,000*l*. has been successively increased on revision to these various amounts, the total increase being over 40 per cent. on the original. It seems to me that it is rather a dangerous way of proceeding with the business. Could not the Admiralty show in some kind of tabular form the whole of the estimates and the final cost of the work under this Vote which is completed in each year?—I think you have that already here. Whenever work is completed there is given against each work that is completed the total cost.

436. Can you tell me where it is to be found?—To take an example, may I refer you to the last column but two on page 91, when you will see the total payments up to such and such a date

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[Continued.]

NAVY APPROPRIATION ACCOUNT, 1899-1900.

Vote 10.—Works, Buildings, &c.—Cases of
Excess Expenditure beyond Total Estimate
for Work, 1899-1900—*continued*.Mr. Goddard—*continued*.

date which gives you the expenditure on any particular work. The left-hand page, page 90, giving the items, the first column on the right-hand page, page 91, shows the total estimate for the work; and then the next column gives the total payments; and when the work has been completed (which is mentioned in the last column headed "Remarks") you will see the comparison of expenditure and the total estimate.

437. That will appear again in each of these cases when the work is completed?—Yes. You have two things now given you which you used not to have before; one is the total sum voted showing whether we have spent the money as voted, and further than that, you have the total cost of the work as compared with the estimate, so that, as regards any work as it is completed, you will find out what it has cost, and also as regards any work, you will see whether we are progressing as fast as was expected.

438. Are there any cases where the cost is below estimate?—Yes, certainly.

439. Are they recorded also?—Yes, you will see a case "Saving on Estimate" on page 93; for instance, Sub-Head F., "Eastney Theatre," 2,920*l.* was the total payment made, and the work is completed, the total estimate being 3,000*l.* It is not a very large saving there, but there are several such cases that I could show you. The account as now given you shows the actual cost, the total estimate, and the money voted.

Mr. Austen Chamberlain.

440. Take, for instance, the item "Plymouth—Sanitary Improvements," which is completed, there is a saving on estimate of 1,000*l.*?—Yes.

Mr. Goddard.

441. Then there is an item under that same head, "New Smithery and extension of No. 5 Slip, Portsmouth," where the Vote was 5,000*l.* on account of the expense of that work which was estimated to cost 30,400*l.* On 24th July 1899 the Admiralty wrote to the Treasury saying the work was proceeding so rapidly that a further expenditure of 7,000*l.* would be incurred during the year, and asking for sanction to go on to that extent. The letter says: "My Lords regret that owing to an oversight on their part proper provision for this service was not made in the Vote." I want to ask who is responsible for the oversight of this magnitude of 7,000*l.*, which is more than double the amount taken in the Vote?—I think I can explain that point to you. The Admiralty have decided to build at certain yards very much longer slips than they have hitherto, and to lengthen others. One of the yards at which a new slip is to be built is Devonport; at the time the Vote for this year was framed we had not got either our complete design or estimate for that—the new slip. We were very anxious to start the work, and we

NAVY APPROPRIATION ACCOUNT, 1899-1900

Vote 10.—Works, Buildings, &c.—Cases of
Excess Expenditure beyond Total Estimate
for Work, 1899-1900—*continued*.Mr. Goddard—*continued*.

asked for a round sum of 5,000*l.* on account of the preliminary work for that purpose. In the course of the year we were able to complete our designs and estimates, and we were very anxious to press on with it, and we actually got on with the main work for which we had taken only something on account for starting to this extent; you must not suppose that it is an error to the extent of the difference between 12,000*l.* and 5,000*l.*, but the fact is that during the year we were able to get on with larger work for which we had only taken the sum for starting.

442. I would suggest it is rather an encouragement to be somewhat slack in making these estimates, because you know there are large surpluses on other Admiralty Votes which can be used for that purpose; is not that the meaning of it?—No, not at all, I assure you. May I explain briefly how we do make these estimates. We have two things to guide us; the first is the amount of money we can spend in the year; that really is a rather important thing, because it is no good asking you to vote us more money than we can spend. In the year I joined at the Admiralty I managed to spend 455,000*l.* In the next year, which was the year in which I had my biggest failure, you voted on Vote 10, 625,000*l.*, and I spent 482,000*l.*, that is, I failed to spend 140,000*l.* out of the Vote; but I spent a little on the Naval Works Loan work, making up 497,000*l.*; that was in 1896-97. Then in 1897-98, including Naval Loan work, I managed to spend 689,000*l.*; in 1898-99 I spent 924,000*l.* In the year we are now considering I have got up to 992,000*l.*, including 226,000*l.* on Loans work. We are, as you see, gradually getting to work; therefore one of the facts the Board have always to consider in fixing this Vote is what can I do in the year? Then when we are making up our Vote for you in December, we try to make a programme for the work we shall carry out. I have to make an estimate of two kinds; first, I have to make an estimate of the cost of the work, and then I have to estimate the time in which I can do it. The appropriation which you vote me on account of the total estimate is based upon my estimate of the time it will take me to do the work; that estimate has to be given before I am allowed to start the work. I remember one year when Parliament did not vote Vote 10 until August, and therefore I was not set free until August. I am required in December or January to say finally how much money I am going to ask for; assuming therefore that we can spend a certain sum of money in the year, we make the best forecast we can of how we will distribute it over the work in hand. As to that we are dependent upon the contractors; a contractor takes a contract for a big work, and he has a certain time to do it in, and it may pay him to press it at the beginning, or it may pay him to press it at the end.

But

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[Continued]

NAVY APPROPRIATION ACCOUNT, 1899-1900.

Vote 10.—Works, Buildings, &c.—Cases of
Excess Expenditure beyond Total Estimate
for Work, 1899-1900—*continued*.Mr. Goddard—*continued*.

But I must in January finally say how much money I will ask for, for this work of which I do not know when it will be started. But experience has shown us in the course of years, taking one work with another, we shall spend a certain sum of money in the aggregate, and we are allowed with Treasury permission to shift from one work to another, the appropriation of the money which you have given us which we cannot spend in the exact way that was anticipated. It always happens that there is a certain percentage of the money you give us which we cannot spend in the exact way you have voted. Experience shows that that must always be the case, and we deal with it in this way. We assume from the beginning of the year we shall not carry out our programme precisely in the way in which we have presented it to you; and when we go to the Treasury to ask for these "unauthorised works," as they have been called, we do so on the assumption, based on many years experience, that there always will be a saving on the aggregate of Vote 10. But the Board would not listen to me if early in the year I went and asked for money from other Votes. It is conceivable it might happen that later in the year I might go to them and I might get money from other Admiralty Votes, although this has only happened once in the five years I have been there. What I want to make clear is this, that in giving this programme of work we cannot keep strictly and exactly to our programme; it is the best estimate we can give you, but it is only an estimate. I ask you never to think of the appropriations which you vote as hard-and-fast appropriations. The experience of many years has shown I cannot carry out my programme exactly. It is put before you on the best possible judgment I can form as to the way we will spend the money during the year upon works as to which you have voted me a total estimate. To that total estimate you can hold me rigidly; but I would ask you not to think of the particular appropriations as fast and rigid.

Mr. Cohen.

443. Does not that conflict with the explanation given on page 35, which is referred to in the Comptroller and Auditor General's Report, that the under-expenditure in the year now under review is attributed, according to the explanations given by the Admiralty, to the delay in placing the orders; is that delay in placing the orders on account of the Parliamentary difficulty about the Estimates?—It has not been for several years past. It would be due to a number of causes. I can tell you for instance one case that occurs to my mind in which we called for tenders for the work, and when we received them we thought they were all too high, and we declined them and called

NAVY APPROPRIATION ACCOUNT, 1899-1900.

Vote 10.—Works, Buildings, &c.—Cases of
Excess Expenditure beyond Total Estimate
for Work, 1899-1900—*continued*.Mr. Cohen—*continued*.

for tenders for the same work three months later and got a satisfactory one.

444. That has nothing to do with what you were talking about just now?—The delay in placing orders may be due to many things.

Chairman.

445. There is one question I want to ask. In the last sentence of paragraph 22 it is said that the Admiralty letter explains that the work in connection with the "House for the Officer in charge of Works" at Bermuda "was not carried out with proper regard to economy, at which the Board had expressed their dissatisfaction." Is that a local contractor, or did you do it yourselves?—That was a case in which my department are to blame.

446. You have censured the officer responsible?—Yes.

SUB-HEAD S.—STORES TO BE PURCHASED.

Chairman.

447. (To Mr. Awdry.) Paragraph 23 refers to rather an important case which last year was fully gone into, and the Comptroller and Auditor General reported at length upon the discrepancy, if one may call it so, between Sub-Head S. and the outcome of the Stock Account. The Public Accounts Committee went fully into it, and took a great deal of evidence, and it was settled that there should be a conference between the Comptroller and Auditor General and representatives of the Treasury and the Admiralty on the subject; will you tell us who was appointed on the Conference Committee?—Colonel Raban was the Chairman, and the other members were—Mr. Woods, of the Treasury, Mr. Cuming, of the Accountant General's Department, and Mr. Bromley, of the Exchequer and Audit Department.

448. (To Colonel Raban.) Then perhaps Colonel Raban, as Chairman, could tell us what the result of the conference has been?—I am instructed by the Admiralty to present you with a copy of the Report (*handing in the same*).

449. (To Mr. Chalmers.) Has this Report been before the Treasury?—It has been before the Treasury since the last meeting of the Committee. The Treasury has approved of the recommendations of the Committee, which also, as the Treasury has been informed, commend themselves to the Board of Admiralty.

450. We can hardly read this Report through now, but we may hope that this will be a satisfactory arrangement, and will meet the difficulties that have arisen, and therefore we may pass it for the present; if any honourable Members on reading the Report at their leisure find anything they desire to ask a question about, we must bring it up at the next meeting.

451. (To

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Mr. PHILLIPS, Mr. CHALMERS, C.B., Mr. AWDRY, C.B.,
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[Continued.]

NAVY APPROPRIATION ACCOUNT, 1899-1900.

NAVY APPROPRIATION ACCOUNT, 1899-1900.

APPROPRIATIONS IN AID, VOTE 10.

NEW SUB-HEADS.

Chairman.

451. (To Mr. Awdry.) The last paragraph in paragraph 24 refers to certain annuities; will those annuities appear in the Vote in future?—Yes.

FLOATING DEFENCES OF INDIAN HARBOURS.

Chairman.

452. (To Mr. Awdry.) In paragraph 26 reference is made to a question that arose before with regard to the non-payment by India of the instalment of the Subsidy for Floating Defences of Indian Harbours, Lady Quarter 1899, and it appears that the payments go on regularly, but that one arrear has never been made good?—It will be made good before the 31st of March this year. We have had matters in dispute with the India Office which have now been settled, and they have agreed to pay us over that sum of money, and it will be paid.

453. It has nothing to do with Lord Welby's Committee?—No.

On VOTE 12.

ADMIRALTY OFFICE.

Mr. Goddard.

454. (To Mr. Awdry.) As regards Sub-Head A. of Vote 12, Salaries and Allowances, I am glad to see there is a surplus of 8,009*l.* The note explains that some of that is due to new appointments at lower rates of hired writers?—Yes.

455. I think that is a very good improvement, and I have no criticism to make. It seems rather an admission that formerly the work was done by too highly paid officials if it can be done by lower paid ones. All I wish to ask is, is there any regular system now in vogue of substituting these less costly writers for more costly clerks?—Yes.

456. You are gradually reducing the more costly clerks, as the vacancies occur?—Yes, a new class of clerks called Abstractors have been introduced, and we find that they do the work required of them very well.

Chairman.

457. Of course the real saving is only 6,000*l.*?—Yes, there is 1,900*l.* on Sub-Head B. to be set off against it.

Chairman.

458. Paragraph 27 calls our attention to two new Sub-Heads, the first being on Vote 11, Sub-Head W., for Expenses connected with the Detention of Vessels in South Africa, that is, in regard to vessels that are supposed to contain munitions of war. That seems to be an inevitable expense. And the second is Vote 14, Sub-Head K.K. "Gratuities to Dependent Relatives of Men Slain, 510*l.* 16*s.*" I think I am right in saying that Greenwich Hospital always find funds up to the amount of 500*l.*?—Yes.

459. But if it exceeds that amount you have to find the difference?—Yes.

460. You will probably have to find a very considerable difference this year?—Yes; we shall probably have to find a larger amount this year.

461. Greenwich Hospital, of course, cannot find the extra money, they have no more funds?—They have no more funds, they have a restricted income.

462. The Comptroller and Auditor General in the last sentence in the paragraph points out that: "The expenditure is small in the present year, but it may be anticipated that considerable charges for compensation, &c., arising from the seizure of vessels in South African waters, will fall upon the Account for 1900-1." Are you presenting in the Estimates of this year any estimate for charges for compensation for the seizure of vessels in South African waters?—Yes, we presented a Supplementary Estimate which was passed the other day in the House of Commons, 30,000*l.*

463. You will also take an estimate for Vote 14, Sub-Head K.K.?—Yes, we shall take a little extra under Sub-Head K.K.

464. Have you taken a Supplementary Estimate for that?—No, it is a very small sum—it is only a question of 300*l.* or 400*l.*

TOTAL COST STATEMENT.

Chairman.

465. The Total Cost Statement which appears in the Appendix, page 221, shows the charges incurred by other departments on behalf of the Navy; those are not repaid in any way, are they?—No, they appear in other estimates. It is merely a statement for information.

[Colonel Raban withdrew.]

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Colonel PEASE, C.B.

[Continued.]

STORE ACCOUNTS OF THE NAVY.

Mr. DAVID EVANS, called in; and Examined.

DOCKYARD STORES.

VALUE OF STOCKS AT 31ST MARCH 1900.

Chairman.

466. I SEE there is a considerable increase in the value of the stocks; will that be kept up or will you revert to the former figure. Of course that is partly caused by the high price of coal?—Yes, partly.

467. It is therefore only an apparent increase to some extent because coal is at so high a price?—Yes.

468. Shall you keep up this increased value of stocks—is it on account of the increase of the Navy or is it temporary?—The tendency is to increase the stock year by year, because the Fleets are increased, and therefore the expenditure of stores has increased. The stock varies proportionately to the expenditure.

469. Then is this increase of half-a-million entirely accounted for by the increased price of coal and the increased Fleet. Is it any larger in proportion than it has been in previous years?—It is not entirely accounted for by that. The increase that is due to the quantities added to stock would represent about 308,000*l.* out of the 503,000*l.* The stock estimated for in the year was 70,000*l.*, and there is an adjustment of prices which really enhances the value of stock to the extent of 124,000*l.*; those three large sums make up the 503,000*l.*

470. But then does that 308,000*l.* represent the increase of the Fleet, practically?—Yes, it practically represents the increase of the Fleet.

471. Would you say it is not proportionately a larger stock?—Yes, I should be inclined to go so far as that.

Mr. Herbert Lewis.

472. I presume coal by being kept deteriorates in quality and wastes away to a certain extent, therefore I presume the stocks that are kept in hand are not larger than Naval policy requires?—No, we provide for that in these increased stocks by patent fuel which will keep much longer and will not deteriorate.

STATEMENT SHOWING DEPRECIATION OF STOCK OF NAVAL STORES UPON SURVEY IN 1899–1900.

Chairman.

473. In paragraph 3 there is allusion made to coal and to deterioration. Do you consider that coal deteriorates in quality by being kept?—Yes; we like to turn the Welsh coal over about every six months on an average if we can arrange it.

474. This merely means that, having regard to the increased price of coal, it neutralised or more than neutralised the deterioration?—Yes.

Statement showing Depreciation of Stock of Naval Stores upon Survey in 1899–1900—*continued.*

Mr. Goddard.

475. Does this increased stock render you more liable to spontaneous combustion in the coal?—It does not if proper storage arrangements are provided for it; that is to say, if we do not stack the coal too high. We have had cases where coal has been stacked to a considerable height at Portsmouth, where we have had spontaneous combustion. We never like to stack it more than from about 10 to 12 feet high.

LOSS OF OLIVE OIL AT DEVONPORT DOCKYARD.

Chairman.

476. (To Mr. Phillips.) As to the loss of olive oil referred to in paragraph 4, the Comptroller and Auditor General says he is waiting for an answer from the Admiralty; has that reply been received?—It has been received.

477. To what effect?—Full inquiry has been made into the circumstances under which the deficiency occurred, and the Admiralty have reported to the Treasury, and they have now authorised the writing off of the deficiency in the Devonport Store Ledger.

478. Are any reasons given?—The reasons are given at great length in the Report to the Treasury. Perhaps Mr. Chalmers has them before him.

479. (To Mr. Chalmers.) Did the reasons given satisfy the Treasury?—They did. There has been an investigation by the Admiralty, and the facts stated by the Admiralty satisfied the Treasury very fully that there was no question of any fraud concerned in the matter. The loss was due to various causes, leakage to a certain extent and inadequate stock-taking in the past; and a technical question, which perhaps Mr. Evans would speak to, as to weighing the oil at the time of receipt and the temperature at which it was taken. These were the various causes, but they were all causes that involved no fraud; and the Treasury was assured that the regulations to be put in force for the future would prevent any of these discrepancies arising in future.

Mr. Cohen.

480. But assuming the oil to have been legitimately accounted for, is not there the further objection about the Store Ledgers not being adjusted; should not the Store Ledgers show what

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[Continued.]

STORE ACCOUNTS OF THE NAVY.

Dockyard Stores.—Loss of Olive Oil at
Devonport Dockyard—*continued.*Mr. Cohen—*continued.*

what was the amount of oil?—That is so. (Mr. Evans.) When the Comptroller and Auditor General wrote this Report the store ledgers had not been adjusted—they have been since—that accounts for the remark in this paragraph.

481. I gathered as much from the Comptroller and Auditor General's Report; but should the store ledgers not show as speedily as possible the actual condition of the stores; I am not suggesting that the stores were illegitimately depreciated, but should not the ledger be adjusted as speedily as possible so as to show the then existing condition of the stores?—Yes; but it took the whole of that time to investigate the matter locally, and then to get the approval of the Treasury before the ledgers could be adjusted. We wanted to make one final adjustment when the thing was finally cleared up.

482. Do you say that the disappearance of the oil is a distinct thing from the adjustment of the ledgers?—Yes, the adjustment of the ledgers was made upon the results of the inquiry.

483. Is the sanction of the Treasury needed for the adjustment of the ledgers?—Certainly, in the case of such a sum as that.

Mr. Austen Chamberlain.

484. Was the adjustment of the ledgers made by writing off the loss?—Yes.

485. Therefore until you had Treasury sanction for the writing off of the sum it was not possible?—We had not power to write off until we obtained the approval of the Treasury.

486. The adjustment of the ledgers was, in fact, a matter of bookkeeping?—A matter of bookkeeping.

Mr. Pym.

487. How often do you have stock-taking?—The usual rule is, that every item of stock should be taken once in three years; but we have made a special exception with regard to olive oil, that it should be taken every 12 months in future.

488. When did you find that there was this deficiency of 11,000 gallons?—It was found in July 1899. It was at once reported to the Admiralty. The Admiral-superintendent at the same time ordered a court of inquiry as to the deficiency.

489. And you had a stock-taking then to discover what the amount of the deficiency was?—No, not an official stock-taking.

490. A special stock-taking with regard to the oil?—It arose in this way: the storehouseman who had charge of the oil was ill, he has since died, and when the new storehouseman took over the charge of the oil, the first thing he did naturally was to take stock of the oil, and he found this deficiency of 11,000 gallons. He made a report upon the subject, which led to the inquiry I spoke of just now.

491. Then are we to understand the deficiency has been accounted for?—Yes; there was an independent Court of Inquiry which inquired 0.14.

STORE ACCOUNTS OF THE NAVY.

Dockyard Stores.—Loss of Olive Oil at
Devonport Dockyard—*continued.*Mr. Pym—*continued.*

into the whole matter, and they accounted for practically the whole of it.

492. Can you give us what the reasons were?—The most important item was 5,700 gallons, which was due to what is called "shrinkage," that is to say, the oil is received in the summer when it is larger in volume, and thin, and is issued to the ships in the winter, when it contracts. The means adopted to put a fair amount on the ledger charge is obtained by dividing the total weight of oil in lbs. by 9.19; 9 lbs. is the ordinary weight per gallon, and the figure 9.19 was arrived at after a series of experiments by the Admiralty chemist. That adjustment was omitted to be done in this case. The result was the man had on charge in his books 5,700 gallons that he should not have had on charge.

493. What about the other 6,000 gallons; how was that accounted for?—There was a stock-taking in 1897, and curiously enough that stock-taking revealed a surplus of 1,300 gallons, and the Committee of Inquiry thought naturally that that did not really happen, because the gauge glasses upon which the stock was taken were defective, and therefore they thought they might fairly receive credit for the 1,300 gallons surplus at the 1897 stock-taking. That accounts for about 7,000 gallons, the remainder was lost by leakage.

494. Is that a common occurrence?—No.

495. Is there always leakage?—No, it was quite an exceptional year when the receipts came in in 1898. I may say that this was just at the time of the American-Spanish War, and the Spanish firm which supplied the oil asked to be allowed to deliver 30,000 gallons in June which should not have been delivered in the ordinary course until September; the Admiralty approved that; but instead of the contractors sending in 30,000 gallons they sent in 50,000 gallons. The result was that Devonport Dockyard could not take it at once into vats, and a lot of it had to lie out on the jetty in the hot sun, and of course, the casks leaked and considerable quantities of it ran away in that way. Then there was leakage in the vats themselves.

Mr. Goddard.

496. Did not the contractor have to bear some of that loss?—No; the total loss of the oil was about 500l., but by getting it in earlier we got discount to the extent of 550l.; so that there was no financial loss to the Crown; but, of course, that did not excuse the people who had charge of the oil.

STORES DEPOSITED FOR SHIPS BUILDING.

Mr. Goddard.

497. As regards this point of the excessive issue of copper sheets for ships building which is referred to in paragraph 5, I think we had that point up last year, and we had a considerable discussion on it last year; but it does not seem

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Mr. PHILLIPS, Mr. CHALMERS, C.B., Mr. AWDRY, C.B.,
Colonel PEASE, C.B., and Mr. EVANS.

[Continued.]

STORE ACCOUNTS OF THE NAVY.

Dockyard Stores.—Stores deposited for
Ships building—*continued*.Mr. Goddard—*continued*.

seem that there has been any amendment; it is a most extraordinary position, and I think there ought to be some more explanation given. It appears that 6,790 copper sheets were deposited for a certain ship, and 3,660 were not required; that is to say, more than twice the amount that was really required was deposited; it is a most extraordinary error; one would suppose that anybody in the habit of measuring surfaces would be able to reckon within a comparatively small margin how much copper sheeting was required. So far as I can gather from the discussion last year all this extra number of sheets is taken into the yard and put into a sort of deposit store in the yard, at some risk; that some of it is lost; afterwards it is returned, but it gives all excessive cost to the ships in the meantime. I thought there was to be some inquiry into this matter, but so far as I can see from the Comptroller and Auditor General's Report, the same thing has gone on again; can you give any explanation as to how this occurs?—The explanation so far as that particular point goes is this: these sheets were issued long before you considered the question last year; this is therefore an old transaction.

Mr. Pym.

498. Were they lying in this intermediate place?—Yes.

499. They were issued from there to the ships upon demand of the constructor who was building those ships?—Yes.

Mr. Goddard.

500. Is there any explanation of how a man could make a mistake of this magnitude, even though he was calculating from the drawing of the ship? I think the answer given last year was that the ship was not sufficiently constructed for the man to make a careful estimate of the quantity required. But an engineer in the habit of examining drawings could tell from a drawing what the superficial area of a vessel would be. One can imagine he might be out to a small extent, but when you come to thousands of sheets it is such a remarkable error that it really requires explanation. Is there any explanation why this man should have put in such a claim as this for sheets?—I do not wish to defend the gentlemen who made these mistakes, but with all due deference I do not think it is so easy to calculate the area of a ship's bottom from where the water-line is. There are very few men who can do that usually. A ship's bottom is a very curious surface and very difficult to estimate.

Mr. Pym.

501. To follow up what I was asking just now, these sheets were sent to an intermediate place first of all?—Yes.

502. Then the constructor makes a demand for so many sheets, as he requires them?—Yes.

STORE ACCOUNTS OF THE NAVY.

Dockyard Stores.—Stores deposited for
Ships building—*continued*.Mr. Pym—*continued*.

503. Are we to understand that these 3,600 sheets were sent back to the original store as not being required, or were they only sent back to the intermediate place?—They were sent back to the original store.

504. I mean the original store where they were issued?—They were in the deposit store, the intermediate store as you call it, the whole time.

505. When you use that word "store," were these 3,000 sheets sent back to the intermediate store?—They were sent back to the main store.

Mr. Goddard.

506. You suggest it is a difficult matter to estimate; but supposing a contractor undertakes to build a ship and he gives a price to sheathe that ship with copper, what would become of him if he made a mistake of that kind in the calculations? He must know how to calculate it, and if he can, why cannot the Admiralty officials?—The Admiralty officials, of course, can, and no doubt would do it now. But the man who drew this copper sheeting would be a sort of leading man, or an inspector, but he is not a skilled naval architect who could apply Simpson's Rule and make all the calculations; he is not that class of man at all.

Mr. Blake.

507. But he ought to get his information from a man of that class?—No doubt he will in future now that our attention has been called to it by this objection being raised.

Mr. Goddard.

508. The danger, as I understand, is this: You first apply to the stores and ask for so many sheets; they are written off at so many thousand, in the store books; they are not put on to the ship but are taken into the intermediate store, but they are out of the store-keeper's control, are they not?—No, they are in the hands of the store officer all the time as if they were in the main storehouse. This intermediate store is not in the hands of the professional officers who use the articles, it is in the same charge as the main dockyard store.

509. Then, if so, why are they said to be taken out of store?—Evidently what the Comptroller and Auditor General meant was out of the main store.

510. The store books record that so many plates are sent out of the stores?—Yes.

511. Then they are out of the stores; you cannot say they are in the stores any more?—The original idea of this deposit store was this: The storehouses of the dockyard are placed as much as a mile away from the ships under construction, the result is, that if a man wants copper sheets he has to send that distance for them, whereas the deposit store places the article near the ship's side; it is a matter of convenience really. If a man wants, as he did here

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Mr. PHILLIPS, Mr. CHALMERS, C.B., Mr. AWDRY, C.B.,
Colonel PEASE, C.B., and Mr. EVANS.

[Continued.]

STORE ACCOUNTS OF THE NAVY.

Dockyard Stores.—Stores deposited for
Ships building—*continued*.Mr. Goddard—*continued*.

here, 6,700 sheets, it would never do for him to draw the whole of them and put them down at the ship's side, or the copper would soon vanish.

512. The main point after all is this: Are steps being taken to prevent this error occurring now since the attention of the Admiralty was drawn to it?—Yes. But I should like to say I think the figures of the Comptroller and Auditor General do not put the thing quite fully. He only deals with the 32-ounce copper sheets, but there are other sheets of 28-ounce—the 32-ounce sheets are used in the bow and stern, being thicker, and the 28-ounce sheets are used in the centre; but taking the two together there were drawn for this ship, the "Spartiate," 12,799 sheets; so that that reduces the error of estimate from 54 per cent. to 28 per cent.

Mr. Blake.

513. Do I understand the whole error there was upon the sheets for the bow and stern?—No. The man evidently used the whole of the thin copper sheets and allowed the heavy copper sheets to remain in store; he saved the ship the difference in the cost of the sheets as between thick and thin. I do not say that that was the object, but that was what happened as a matter of fact.

Mr. Herbert Lewis.

514. Can you give the date of issue of these sheets and when they were returned?—These particular sheets were issued on the 21st of April 1897 and returned on the 29th March 1899, just before the close of the financial year.

515. So that they were out of the other store over two years?—Just two years.

Mr. Blake.

516. As I understand it, this stuff was in stock originally?—Yes.

517. Then upon the requisition of this officer, who did not know how to estimate the quantity, it goes from stock into a deposit store which is still under the control of the officer who had charge of stock?—Yes.

518. It gets out of your stock and remains out of your stock for two years and then the excess is returned back to the general store?—Yes.

Mr. Austen Chamberlain.

519. But it remains under the charge of the same officer?—Yes, the store officer has a man in this deposit store just the same as in the main store.

STORE ACCOUNTS OF THE NAVY.

Dockyard Stores.—Stores deposited for
Ships building—*continued*.

Mr. Banbury.

520. And he knows what goes out?—Yes. I do not mean to say the thing is satisfactory; we are considering the matter now and seeing how it could be improved; but I wanted to explain how the matter stood.

Mr. Goddard.

521. The Deposit Store Keeper has a separate book to show the transactions?—Yes, and they are drawn out as the men can use them, and that is fully recorded.

Mr. Blake.

522. In the meantime the excess of copper has been charged to the particular ship?—That is the effect of it, exactly.

Sir Robert Mowbray.

523. When is it returned into store?—When the particular ship is completed or when the particular job of coppering the bottom is completed, which is very nearly the last thing.

Chairman.

524. Is there any loss, except the possible cost of removal and possible damage?—There is no loss to the Crown.

525. There is the cost of removal, I suppose?—That only happens, as it did here, once in two years.

SHIPS' STORE ACCOUNT.

Chairman.

526. As regards the matter of losses of coaling gear and coal in coaling ships, which was before the Committee last year, it appears from the Admiralty letter on page 228 that a great deal of trouble has been taken to provide against these losses in coaling for the future. I think honourable Members who belonged to the Committee last year will agree that what they required has been fairly met.

Mr. Cohen.

527. (To Mr. Evans.) The Admiralty seem to have followed the suggestion of the Committee at last. It would be interesting to know what results, if any, have followed from this very interesting circular?—It is rather early yet to say.

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Mr. PHILLIPS, Mr. CHALMERS, C.B., Mr. AWDRY, C.B.,
Colonel PEASE, C.B., and Mr. EVANS.

[Continued.]

VICTUALLING YARD STORES.

Mr. H. F. R. YORKE, C.B., called in; and Examined.

ABSTRACT OF LOSSES AND CONDEMNATIONS OF VICTUALLING STORES, 1899-1900.

DETERIORATION OF SALT BEEF CURED AT DEPTFORD VICTUALLING YARD.

Chairman.

528. WITH regard to the loss of 376*l.* mentioned in paragraph 9, representing the value of a quantity of salt beef condemned at Malta as unserviceable, I should like to ask how long salt beef is supposed to remain in a serviceable condition?—That is a very difficult question to answer; it remains good for three years or four years, or five years, and sometimes much longer.

Mr. Goddard.

529. Has any explanation been found of this large quantity of beef that was cured at Deptford Victualling Yard in 1896 having gone wrong?—I could explain the circumstances of the case if that is what the honourable Member wishes. It was decided in 1896, as an experiment, to revive the practice of curing beef at Deptford; it was considered advisable not to allow the practice to entirely die out, so that in any emergency we might be independent of the supplies from contractors, if they should be cut off. It was also thought that if the Government had the means at the Victualling Yard of curing beef themselves, that would act as a check to any tendency on the part of contractors to raise prices. As a matter of fact prices did fall very considerably immediately after this, and the gentleman who was Director of Contracts at the Admiralty at the time gave it as his opinion that the fall was largely due to the step we took at Deptford. I may say that the practice of curing beef had been for a long time in abeyance in Deptford. They used to cure beef there a great many years ago, and then it was left off practically about 1880. There was a small quantity cured in 1885, but that was the only time. That being so, doubts naturally existed in the minds of the Admiralty as to whether the results would be entirely satisfactory. But when the meat had been cured it was pronounced to be excellent, and at that time we had no reason to doubt it would keep. On the periodical examination of the meat at Malta, to which a considerable portion of this meat had been sent, doubts arose as to its condition, and it was considered advisable to have an independent survey by naval officers; the result of which was that it was reported unwise to retain it for issue. With a view to ascertaining whether the unsatisfactory condition was due to defective curing at Deptford or to local conditions at Malta, a proportion of it was ordered home for inspection by the expert officers; and they reported that in their opinion want of experience at Deptford had to some extent contributed to the relatively early deterioration of the meat. I naturally considered

Mr. Goddard—continued.

it of the utmost importance that no meat should be issued for consumption of a doubtful character; and I therefore at once directed reports to be made by the ships and depôts to which this meat had been sent. Some of those reports have not yet been received; those that have been received show that the meat consumed has not been complained of, and that the quantity remaining is good. Special steps are now being taken to ascertain the condition of the meat that was cured in the following year, 1897.

530. Is there a man in charge of this victualling yard now who has a practical knowledge of this curing of meat and the condition of meat?—The condition of the meat would be gone into by what are called the examining officers, who are expert officers. But I may say that the curing of meat at Deptford is not being continued. The last year in which curing was done was 1898.

Mr. Cohen.

531. But we had some serious complaints last year about some pork; I thought that was at Deptford also; has there been any change instituted since then?—That was quite a different matter.

Mr. Austen Chamberlain.

532. In the previous case of condemnation of meat to which the honourable Member refers, was not that considered by the Admiralty to be due to the lack of proper precautions by the officer in charge at Deptford Yard in the storing of the meat?—It was considered to be due to lack of proper supervision and precautions.

Mr. Goddard.

533. And the man was dismissed, was he not?—Yes.

Mr. Austen Chamberlain.

534. That meat was not cured in the Government yard?—No.

535. It was not suggested that it was improperly cured?—No.

536. In this case we are dealing with meat cured in the yard, and you suggest that inexperience in curing led to its not being quite properly cured?—It is a matter of opinion, but we think it is that.

Mr. Goddard.

537. At all events you are satisfied now that you have proper supervision in that Department?—Perfectly satisfied.

538. But

20 March 1901.]

Mr. PHILLIPS, Mr. CHALMERS, C.B., Mr. AWDRY, C.B.,
Colonel PEASE, C.B., Mr. EVANS, and Mr. YORKE, C.B.

[Continued.]

VICTUALLING YARD STORES.

Abstract of Losses and Condemnations of Victualling Stores, 1899–1900.—Deterioration of Salt Beef cured at Deptford Victualling Yard—*continued.*

Mr. Pym.

538. But I thought you mentioned just now that you had given up curing at Deptford?—Yes. I said that the last year in which it was done was 1898.

539. You are not curing there now?—No.

Chairman.

540. I see there is a considerable increase in value under Sub-Head G., "Provisions." Is that corresponding with the increase of the Fleet?—Yes, entirely.

Mr. Herbert Lewis.

541. With regard to the age of the meat, I wish to ask this question. I have seen a statement that must be founded upon a complete misapprehension: that one of the transports was provided with meat stated to have been cured so far back as the year 1876. That, I take it, is quite impossible?—That is quite impossible.

Mr. Pym.

542. Have you a large stock in hand now of beef that has been cured at Deptford?—No; the quantity we have we are making special inquiries about, but I feel perfectly certain it will be found to be good.

543. You have some at Deptford beyond what you sent to Hong Kong?—We have none of the 1896 curing; we have some of the 1897 and 1898.

[Mr. Yorke withdrew.]

VICTUALLING YARD STORES.

NAVAL ORDNANCE STORES.

VALUE OF STOCK AT 31ST MARCH 1900.

Chairman.

544. (To Mr. Phillips.) I see you notice in paragraph 10 that in the last five years the Remain of Naval Ordnance Stores has increased from 8,099,881*l.* to 11,104,347*l.*?—Yes.

545. (To Colonel Pease.) In view of the fact that Naval Ordnance Stores become obsolete at a very rapid rate, is that increase wise, or does it only correspond with the increase of the Fleet. It is a very large increase, is it not?—Yes; the increase is due first of all to the increase of the Fleet; secondly, to the increase of the ammunition that is supplied for the outfits of ships; thirdly, to the increase of the Reserves that are kept in store; and fourthly, to the increased prices during last year.

Mr. Herbert Lewis.

546. Do you include obsolete stores in this?—Yes, but obsolete stores are cleared out as quickly as possible.

547. But a certain amount of obsolete stores are included?—I should not say obsolete stores; I should say obsolescent stores are included; that is to say, those which are fast going out, although they might be used on an emergency.

548. Do you take them into stock at a lower price?—Yes.

Mr. Cohen.

549. Then the valuation is more or less what they would fetch if they were parted with?—Yes; for instance, if they could be utilised by the Army in any way they would be transferred to the Army, at say, one-tenth of the original cost, if they are obsolescent.

550. Do they figure in your valuation at that price?—Yes, at one-tenth of the original cost.

WORKS DEPARTMENT STORES.

WORKS STORE ACCOUNTS OF FOREIGN YARDS.

Chairman.

551. (To Mr. Phillips.) I suppose you have nothing to say about these missing documents which are referred to in paragraph 13?—No, they have not yet been supplied.

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Mr. PHILLIPS, Mr. CHALMERS, G.B., Mr. AWDREY, C.B.,
Colonel PEASE, C.B., and Mr. EVANS.

[Continued.]

TRANSPORT STORE ACCOUNTS.

CONDEMNATION OF BLANKETS.

Rear-Admiral BOUVERIE F. CLARK, called in; and Examined.

Chairman.

552. IN paragraph 14 the Comptroller and Auditor General refers to the condemnation of a number of blankets at Bermuda; have you any explanation to offer with regard to that point. Let me ask, is Bermuda a climate in which it is rather difficult to keep stores?—Yes, that is so. The blankets are Army blankets, and they are stored by the Navy for issue for Army use. The particular blankets were ordered to be returned home to be slightly altered, and on survey at home they were found to be moth-eaten and were condemned.

Mr. Cohen.

553. Had they never been opened?—Yes, they had been opened out there. Beyond what appears in the Paper I may add that the last explanation given by the store officer at Bermuda was to this effect: "Reference having been now made to Bermuda it has been ascertained that due precautions are invariably taken to prevent deterioration of blankets and hammocks. They are stored in open battened racks 7 feet from the floor of the building, well ventilated and easily accessible. Camphor and insect powder are freely used, and the articles are from time to time overhauled. In consequence, however, of the adverse nature of the climate at Bermuda it is found almost impossible to protect washed and worn woollen goods from insects during a number of years." That was the Report that came from Bermuda.

Chairman.

554. Are they taken out and spread out from time to time?—I presume so; they are Army blankets stored by the Navy. In England they are in charge of the Victualling Yards; but at Bermuda they are in charge of one officer who is both store officer and in charge of victualling stores there. I have seen him this morning, and he says what I have just read out to the Committee is correct.

555. Have they definite instructions as to handling them and opening them?—It is all in the dockyard regulations; the dockyard is under the captain in charge of dockyards at Bermuda. I do not really see how it comes under the Director of Transports at all.

Mr. Cohen.

556. It is stated in the Report that the blankets "had been sent in bales as serviceable." Therefore they must have been in ignorance at at Bermuda as to their condition. They were believed to be serviceable?—They were believed to be serviceable. There is an annual move of regiments from Bermuda to Halifax or the West Indies and a corresponding movement back; so

Mr. Cohen—continued.

that the blankets are being constantly used. Whether these particular ones were used or not I cannot say.

Mr. Blake.

557. There seems to be some little inconsistency between the statement in paragraph 14 as to the explanation and this subsequent explanation. The statement in paragraph 14 is that "Blankets get baled up with germs of moth inside and show no external signs of damage"—their state only becoming apparent when there is a wholesale opening of bales, as on the present occasion." The explanation that has been since given, which you have just read, is, that "they are stored in open battened racks seven feet from the floor of the building, well ventilated, and easily accessible"?—But that means in bales, I imagine.

558. You think it means that the bales are so stored?—I fancy so; personally, I cannot say.

559. That does not get rid at all of the cause of the evil, because the cause of the evil is that when they are baled the moth is inside and doing its work?—Probably.

Mr. Herbert Lewis.

560. Then are we to understand that sufficient care was not taken at home, or that the damage occurred abroad?—The damage must have occurred abroad, because these blankets were sent home to be altered, and on the bales being opened at Deptford they were condemned.

561. But had they been used?—I should think so, certainly.

Mr. Pym.

562. We are to understand that these germs of moth got inside these blankets during use or during storage, and were re-baled up again, and that it did not show itself till the bales were opened when they arrived here?—Probably.

563. At any baling up of the blankets would it not have been well to put something in to kill the moth?—According to what I have read just now it is done; "Camphor and insect powder are freely used, and the articles are from time to time overhauled."

Chairman.

564. That would mean opening the bales and spreading all the blankets out?—Yes; I presume, in this case, that could not have been done.

Mr. Blake.

565. The statement here in the Report is "their state only becoming apparent when there is a wholesale opening of bales, as on the present occasion." So that it seems to be a very exceptional

20 March 1901.]

Mr. PHILLIPS, Mr. CHALMERS, C.B., Mr. AWDRY, C.B.,
Colonel PEASE, C.B., Mr. EVANS, and Rear-Admiral CLARK.

[Continued.]

TRANSPORT STORE ACCOUNTS.

Condemnation of Blankets—*continued.**Mr. Blake—continued.*

tional thing that the bales are opened. I should have thought the first thing to be done was to use your insect powder and to beat them before they are baled, and try not to bale up the enemy inside?—Yes.

Chairman.

566. But it speaks in the Report of the blankets being "watched and dealt with in the manner prescribed." Can you tell us how often it is prescribed that the bales should be opened?—No, I cannot, because they are under the charge of the Naval Storekeeper at Bermuda.

567. But has not he definite instructions?—Yes.

568. What is "the manner prescribed"?—It is in the Dockyard Regulations, whatever it is; the Dockyard is under the charge of the Captain in charge at Bermuda.

569. (To Mr. Phillips.) You allude here to

TRANSPORT STORE ACCOUNTS.

Condemnation of Blankets—*continued.**Chairman—continued.*

"the manner prescribed"; do you know what the rules are?—We have not those instructions with us here to-day. I do not think they go into detail. It would really be to the effect mentioned in this paragraph: "In the Admiralty Instructions for Naval Yards Abroad specific precautions are set out in order to prevent deterioration of woollen goods by moth."

Mr. Austen Chamberlain.

570. (To Rear-Admiral Clark.) Would they not provide, amongst other things, that the blankets which had been the longest in store should be first used?—Yes, that is the general rule,—there is an annual survey of all dockyard stores.

571. Therefore this deterioration must have taken place since the last annual survey?—Yes, I presume so.

[The Witnesses withdrew.]

Wednesday, 27th March 1901.

MEMBERS PRESENT :

Mr. Banbury.
Mr. Blake.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Cameron Corbett.
Mr. Thomas Esmonde.
Mr. Goddard.

Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray.
Mr. Pym.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Mr. ROBERT CHALMERS, C.B., and Mr. FRANCIS PHILLIPS, called in; and Examined.

DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS, 1899-1900.

Mr. GORDON B. VOULES, called in; and Examined.

Chairman.

572. You represent the Admiralty, I believe, upon these Dockyard Expense Accounts?—Yes.

573. May I ask what is the title of your office?—I am Inspector of Dockyard Accounts.

ORIGINAL AND REVISED PROGRAMME FOR
1899-1900.

574. It appears from these Accounts that the difference between the Original and the Revised Estimate amounts to 1,184,164*l.* Is that correct?—Yes.

575. The Original Estimate was 11,715,593*l.*, and the Revised Estimate was 10,531,429*l.*?—That is so.

576. Those reductions were entirely caused on contract work, I think?—That is so.

577. There was a reduction on the contract work of 1,537,574*l.*, which is reduced by an increase on materials amounting to 322,775*l.*, and on labour to 30,635*l.*?—That is so.

578. It was in consequence, I suppose, of these large reductions during the financial year that the Revised Programme was issued for the information of Parliament?—That was so.

579. Parliament and this Committee agreed that it would be better that a Revised Programme should be issued when there was a great difference between the Original Estimate and the Revised Estimate?—That is so.

580. I understand the cause of this great change was the late placing of orders and the busy state of the shipbuilding trade. May I ask to whom is the delay in the placing of orders attributable; is it the Admiralty, or is it due to delay on the part of the contractors after the orders are given out?—The word "delay" the

Chairman—continued.

Admiralty considers is perhaps a little too strong to represent the circumstances of the case. Some orders were certainly placed somewhat later than was anticipated at the time that the Estimates were prepared; but the very large proportion of the falling off in the payments is due to the contractors not having been able to obtain sufficient material and sufficient workmen for carrying out to the full extent their contracts.

581. Do you consider that that was due to unavoidable causes, or was it their laches in getting material and workmen?—No. Perhaps I might say in connection with this question that a Committee composed of Admiralty officials, and also gentlemen outside the Admiralty, is sitting to inquire into the cause of all these delays in shipbuilding, and perhaps under those circumstances it would not be desirable for me to express any opinion as to the cause of the delay.

582. You are speaking of the Committee presided over by Mr. Arnold Forster, and of which Sir Francis Evans is a member?—Yes, and Sir Thomas Sutherland, and the Controller of the Navy.

583. They will have all these cases before them?—Yes. In fact they have been appointed in consequence of the delays and in consequence of the contractors not having carried out their contracts, and not having earned the money which they were expected to earn in the course of the financial year.

584. That really is the reason of all this change in the Programme?—Entirely.

Mr. Cohen.

585. I understood you to say, in reply to the Chairman, that there was a Committee sitting to inquire

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Mr. CHALMERS, C.B., Mr. PHILLIPS, and Mr. VOULES.

[Continued.]

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.Original and Revised Programme for
1899-1900—continued.

Mr. Cohen—continued.

inquire into the causes of the delay in carrying out the contractors' work?—Yes.

586. That does not seem to me to quite deal with the point raised by the Chairman to which all of us have had our attention drawn, namely, the delay in placing orders; the delay in placing orders is not anything within the control of the contractor, is it?—No.

587. Therefore, in so far as the difference in expenditure is due to a delay of that sort, I suppose the Committee which is now sitting would not have that included in their reference; we have had in shipbuilding as well as in the dockyards, the delay of placing orders made responsible for a considerable quantity of the amount of deliverance; has anything been done, or is anything being done, to account for and to remedy that delay in placing orders, so far as it was a factor in the divergence of the Estimates. Do I make myself clear?—Entirely. The instructions to the Committee are not confined to contract shipbuilding, but extend to arrears in shipbuilding generally; and the Committee would therefore take into cognizance the time at which orders should be placed, as to whether possibly they should be placed at an earlier date than they have been in past years. The reference to the Committee refers to machinery of dockyard ships as well as to the hulls and machinery of contract ships; it is a Committee on Arrears of Shipbuilding, not that due to contract ships only.

588. Inasmuch as the Admiralty do trace this divergence in part to the delay in placing orders, that would be included in the investigation of this Committee which is now sitting?—Yes. The amount that is due as the Admiralty consider to the non-placing of orders so early as anticipated within the year only represents something like 120,000*l.* out of the total amount of the shortage.

589. That is a very interesting statement as regards the delay in placing the orders only being responsible for 120,000*l.*, but I do not think that comes out in the accounts presented to us; I have no doubt it is so, but it does not appear here; does it in the explanation?—No, because it is only a very cursory explanation that we give, and that is only one of the causes.

590. We may take it that that particular cause is only responsible for about 120,000*l.* out of the amount?—Yes, for a very small amount. It is very difficult for me to state any figure, but you may put it at about 150,000*l.*

Sir Robert Mowbray.

591. (To Mr. Phillips.) The Comptroller and Auditor General, in paragraph 2 of the Report, refers to the delay in placing orders with the contractors as one cause of the shortage, and the Admiralty, as I understand, say that that only represents from 120,000*l.* to 150,000*l.* roughly; can you tell me whether the Com-

0.14.

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.Original and Revised Programme for
1899-1900—continued.

Sir Robert Mowbray—continued.

troller and Auditor General, in referring to the delay in placing the orders, limited his remark to that sort of amount, or whether he considered it went further?—I have not added up the different items which are shown in the accounts under the head of "New Construction" where that explanation is given. There are numerous items under this head; you will observe at page 47, there is a very large under-expenditure in the case of the "Bedford," 41,174*l.*, and the explanation given is "orders placed later than originally anticipated." Then again, at page 49, in the case of the "King Alfred," the short expenditure is 106,872*l.*, and there again the explanation given is "order was placed later than originally anticipated." A little lower down there is the "Monmouth" where there is a short expenditure of 84,494*l.*, and the explanation given is "order was placed later than originally anticipated, and progress was not equal to what was expected." I have no doubt that if you went through all the other cases besides those I have cited, these accounts would show other instances in which the expenditure was considerably less than the original estimate in the year, and where it was attributed to the delay in placing the orders.

Mr. Brodie Hoare.

592. Only partly attributed to that?—Yes.

Sir Robert Mowbray.

593. I wanted to know whether there was any difference of opinion between the Comptroller and Auditor General and the Admiralty as to the exact cause of the diminished expenditure?—I do not think the Comptroller and Auditor General could possibly know the exact cause. He is obliged to take the statement of the Admiralty as to the cause; he has no means of verifying that.

594. In the case of those ships which you have referred to alone it would amount to rather more than the figures which have now been given by the Admiralty?—Apparently. (Mr. Voules). That is so, but the reason I have eliminated them from the figures which I have given to the Committee is that for all those ships, the "King Alfred," the "Bedford," the "Monmouth," the "Cornwallis," and the "Exmouth," with which we are now dealing, the contracts were all put out in January 1899, *i.e.*, before the commencement of the financial year 1899-1900, and, therefore, it is difficult to say to what extent the short earnings on the part of the contractors was due to the fact of the contracts not having been put out as early as was anticipated.

Mr. Cohen.

595. That is taking the figures which the Comptroller and Auditor General has drawn

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attention

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Mr. CHALMERS, C.B., Mr. PHILLIPS, and Mr. VOULES.

[Continued.]

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.Original and Revised Programme for
1899-1900—*continued.*Mr. Cohen—*continued.*

attention to, and there may be more, I suppose?—Those are all.

596. Taking those figures alone they aggregate considerably more than the 120,000*l.* which you mentioned?—Yes; I have only given the Committee the amount short earned on the four ships put out at the end of the year 1899, that is to say October 1899, which is somewhat late in the year for the contractors to earn all that it was anticipated that they would earn.

597. I presume they were put out later than it was expected they would be put out?—Yes.

598. That resulted in the contractors being unable to earn what was expected?—Yes.

599. That accounts for the contractors not earning the money, but the reason still remains unaccounted for why they were put out later than had been anticipated?—There were questions of designs, and so on, which were not settled. But the Admiralty do not consider the word "delay" altogether represents the state of the case. That word rather implies that there was some negligence on the part of the Admiralty in regard to putting out these orders; I do not think they are prepared to adopt the term "delay" in this matter.

Mr. Herbert Lewis.

600. As I understand, you do not entirely contradict the statement of the Comptroller and Auditor General in paragraph 2, to the effect that the arrears appear "to be mainly due to the busy state of the shipbuilding trade"?—That is so; that is what we consider is the reason.

601. But may I ask whether it is not very unfair to the Government that because the shipbuilding trade happens to be exceptionally flourishing and prosperous, and because shipbuilders have a very large number of orders on hand, therefore the work of the Government should be treated to some extent as if it were a kind of stock job on to which the workmen might be turned when work in the yard was slack; is not that a great injustice to the Government?—Yes, if that were so.

Mr. Austen Chamberlain.

602. But do you state that that took place?—No, certainly not.

Mr. Herbert Lewis.

603. I understood you to say that you did not altogether contradict the statement of the Comptroller and Auditor General that this delay was due, to some extent, to the busy state of the shipbuilding yards?—That is so; but we do not go so far as to say that it was wilful neglect of our work in order to carry out other work. There was a tremendous amount of work being done in the shipbuilding trades, and the contractors had more difficulty than they antici-

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.Original and Revised Programme for
1899-1900—*continued.*Mr. Herbert Lewis—*continued.*

pated in getting a sufficient number of men and sufficient material to complete our contracts.

604. Having regard to the busy state of the private shipbuilding yards within the last two or three years, is there not naturally a very great temptation in the way of the private shipbuilder to postpone, if he possibly can, work that he has on hand for the Government, and to complete his private orders?—I think it is one of the reasons why this Committee, to which I referred, has been appointed, in order to see how we can get over that difficulty. If we had any proof at all that contractors were neglecting Admiralty work there is no doubt that we should do what we have not done hitherto in the way of imposing fines and penalties upon them. But in each of these cases it was considered it was due to circumstances over which more or less these contractors had not absolute control.

605. As bearing upon that particular question, you know, I suppose, that during the year ending the 31st March 1900 about 170,000*l.* was incurred in fines for delay in delivery by private contractors, and of that large sum less than one per cent. was enforced?—Yes.

NEW CONSTRUCTION.

PROGRESS IN 1899-1900.

NUMBER OF SHIPS COMPLETED IN THE YEAR
LESS THAN ESTIMATED.

Chairman.

606. In paragraph 4 reference is made to certain ships which are said to be very late in completion. Two third-class cruisers, the "Perseus" and the "Prometheus," were laid down in 1896, and six torpedo-boat destroyers were laid down in 1894-5; have those ships been completed yet?—The majority of them have either been completed or are expected to be completed at the commencement of next month.

607. You think they will all be completed at the beginning of next month?—I would not like to say absolutely, but they will be completed shortly.

Mr. Brodie Hoare.

608. I see as regards these two third-class cruisers, which were comparatively quite small ships, they were begun in 1896 and were uncompleted in 1900—that is four years. There were also two torpedo-boat destroyers, which were laid down in 1894, which were uncompleted at that date. That seems to be an unconscionably long time to take for torpedo-boat destroyers. Do you know whether the yards were turning out private ships at the same time with much greater rapidity than they did the Government

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[Continued.]

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New Construction.—Progress in 1899-1900.—
Number of Ships completed in the year less
than Estimated—*continued.*

Mr. Brodie Hoare—*continued.*

Government orders. You know, I suppose, by whom these ships were built?—Certainly.

609. Do you know whether these yards were turning out other work of this kind at the same time with much greater rapidity?—I think I may certainly say they were not. The delay in the delivery of the torpedo-boat destroyers was entirely due to the difficulty with regard to the machinery. They were a new class of ship, and to get up to our requirements for high speed there was very great difficulty.

610. It was due to the machinery, and not to the shipbuilders?—To the machinery.

611. Was it the same with regard to the third-class cruisers, the "Perseus" and the "Prometheus," because I see they took four years to build?—In the case of the "Perseus" the delay was entirely in connection with her machinery.

612. And with the "Prometheus"?—The "Prometheus" was the same. Both ships were built by Earle's Shipbuilding Company and they had very great difficulty with the machinery. They have both been completed, one in May, the other in June 1900.

Chairman.

613. I suppose the financial position of Earle's Shipbuilding Company had probably something to do with it?—I take it that that is so.

Sir Brampton Gurdon.

614. In regard to this case of a torpedo-boat destroyer laid down in 1894 and uncompleted in 1900, does not that become somewhat out of date when it is launched?—I should think there is no doubt she is somewhat antiquated as compared with the others. The delay in connection with these vessels was all in connection with the boilers, as to which we have had very great difficulty.

COMPARISON OF COST RESULTS IN SHIPBUILDING.

NEW CONSTRUCTION.

Mr. Goddard.

615. Paragraph 5 deals with the matter of excesses in respect of three ships, upon which there is a very considerable excess. These three ships are sister ships, I understand?—Yes.

616. I notice that the original estimate does not vary much more than 1,000*l.* between any of them, and yet in one case there is an excess of 26,000*l.* and in another an excess of 41,000*l.*, and in the third case an excess of 32,000*l.*; is there any explanation why there should be these great excesses and the relative differences in them?—In the case of the first, the "Canopus," the excess of 38,000*l.* was approved over original Dockyard Estimate.

617. It says here 26,000*l.*?—That is only for the hull. If you add labour and materials together in the case of each of these ships

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.

Comparison of Cost Results in Shipbuilding.—
New Construction—*continued.*

Mr. Goddard—*continued.*

there is 38,174*l.* excess on the "Canopus," 39,000*l.* on the "Ocean," and 43,000*l.* on the "Goliath" over the original Dockyard Estimates. The figures which are given in the paragraph to which the honourable Member is referring are the direct charges upon the hull. That does not represent the whole of the ship.

618. Where do we get the other figures?—The Comptroller and Auditor General has not called attention to any discrepancy in the total cost of the ship, but simply to the excess on the hull, as you see.

619. Where are the other figures which you have given us to be found?—They are not in the Comptroller and Auditor General's Report, but the expenditure is included in the body of the Account.

Chairman.

620. It appears from page 33 there was an excess of 20,769*l.* upon the "Canopus"?—The Comptroller and Auditor General's point is evidently to emphasise the fact that these ships were built in our dockyards, and yet there was a very considerable excess over the estimate. He has therefore eliminated the question of machinery, &c., which were in those cases built by contract.

Mr. Goddard.

621. But how do you explain the difference between the figures in the case of these three ships. Here you have three sister ships of practically the same size, of which the original estimate does not vary much more than 1,000*l.* The "Goliath," which is built at Chatham, costs 9,000*l.* more than the "Ocean," which is built at Devonport, and 15,000*l.* more than the "Canopus," which is built at Portsmouth; is there any explanation of the great difference in the cost of the building in these different yards which are all under the Government?—Between the "Canopus" and the "Ocean" there is a real difference as regards the yard work of 7,200*l.*

622. But the "Goliath," that is built at Chatham, cost 15,000*l.* more than the "Canopus," built at Portsmouth?—It cost 43,000*l.* in excess of the original Dockyard Estimate as compared with 39,000*l.* and 38,000*l.* in the case of the other two ships; that is to say, the Chatham ship, the "Goliath," only cost 4,000*l.* more for the whole ship.

623. I am dealing now with the ship-yards; I am not dealing with the whole ship; I thought you made a distinction there. (To Mr. Phillips.) The Comptroller and Auditor General calls attention to the difference in cost between these ships, which are built in our own ship-yards?—That is so.

624. (To Mr. Voules.) I am drawing attention to the work done in our ship-yards, and I want to know why there is that difference between the cost of the work done in our ship-yards as between one ship and another; do you follow me?

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[Continued.]

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New Construction—continued.

Mr. Goddard—continued.

me?—I quite follow the question. I find that a good deal of that can be accounted for by the fact that a considerable amount of this cost was due to the delay which was incurred in the delivery of the machinery. If we cannot get the machinery delivered in time for our ships the expense of building the hull goes up very considerably; it is spread over a longer time, and we cannot do the work as economically if we have to wait for the machinery.

Mr. Austen Chamberlain.

625. I see some part of the excess is accounted for by "approved structural alteration and additions"?—Yes.

626. I suppose those would not necessarily be the same in all the three ships?—There is not much difference, I think. It is 6,400*l.* in the case of the "Goliath" as compared with nearly 6,000*l.* in the other two ships. I think the difference is almost entirely due to the fact that the "Goliath" had to wait a longer time for her machinery than the other two ships had; for the increased cost due to delay is as much as 11,500*l.* for the "Goliath," and it is only 7,000*l.* or 8,000*l.* in the case of the other two ships.

Mr. Blake.

627. Have you a tabular statement which shows how much you estimate to be due to delay?—Yes, a rough tabular statement which I made out for my own guidance. That clearly represents that the increased cost due to delay was greater in the case of the "Goliath" than in the case of the other two ships.

Mr. Goddard.

628. Are we to gather that it is more costly to build at Chatham than at Portsmouth?—No.

629. We must not come to that conclusion?—No.

630. The difference which occurs in this case does not apply to all ships?—No; I think Chatham Yard will probably build as cheaply as any of our yards.

ROYAL YACHT.

Chairman.

631. With regard to the new Royal Yacht, I see that it has exceeded the estimate under "Hull, Fittings, and Equipment" by the sum of 37,222*l.*; can you tell the Committee what was the cause of that?—A certain amount of that can be accounted for by the fact that, as honourable Members may recollect, there was an accident in undocking the yacht, and her stability was not found to be satisfactory. There was a considerable expenditure incurred in making good the effects of the accident, and also in making alterations to improve her stability.

DOCKYARD EXPENSE AND MANUFACTURING
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Royal Yacht—continued.

Chairman—continued.

But the main part of the difference, I think the Admiralty would allow, is due to inexperience in the way of building a yacht of this kind; it is a thing totally out of our ordinary work, and the internal fittings and decorations which were requisite to make her fit for Royalty were more extensive than anticipated.

Sir Brampton Gurdon.

632. I gather that the building of these first-class cruisers mentioned here, the "Drake" and the "Essex," was postponed in order that your own workmen might be employed upon the Royal Yacht, and I suppose on finishing the "Spartiate," which was not finished by the firm that went into liquidation?—Yes; with regard to the two first-class cruisers, the "Essex" and "Drake," the men were certainly taken off (especially joiners and that class of workmen) to perform work on the Royal Yacht, which will account for a considerable deficiency in the expenditure on those two cruisers.

Mr. Brodie Hoare.

633. Is the Royal Yacht satisfactory now?—Entirely, I believe.

634. She has been to sea, has she not?—She has been for her trials to sea, not further.

Mr. Herbert Lewis.

635. Have there been no complaints of the boilers?—None at all, I believe. The First Lord stated in his statement that he considered the Royal Yacht was quite satisfactory so far as speed and as far as stability goes.

636. Is she fitted with Belleville boilers?—Yes.

Mr. Goddard.

637. I observe the amount for the cost of labour is a great deal more than the estimate, in the case of the Royal Yacht?—Yes.

638. But that the cost of materials is very much less; how do you explain so large an excess in the cost of labour on a ship that has less materials than was expected?—That was covered by the statement which I made, that we were somewhat inexperienced as to the cost of building a Royal Yacht in regard to internal fittings, joiners' work, and ornamental work; it turned out a great deal more than we anticipated it would, especially with regard to joinery and ornamental work in the State rooms, &c.

639. The material only came to about half what was estimated—it was 18,000*l.* instead of 36,300*l.*?—No. The total estimate for the materials for the Royal Yacht was 104,000*l.* and the expenditure 105,000*l.* There was an expenditure of 39,000*l.* more for labour and 750*l.* for materials, making a total expenditure with the contract work of 37,000*l.* up to the 31st March last more than the estimate.

640. What

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DOCKYARD EXPENSE AND MANUFACTURING
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Royal Yacht—continued.

Mr. Blake.

640. What was the additional expenditure occasioned by this defect in stability?—The cost of improving the stability was 2,500*l.* We had to take the masts out and shorten them and do various other things.

Mr. Goddard.

641. I do not quite understand the position. On page 43 the estimate of materials is put down at 36,300*l.* and the expenditure at 18,788*l.*?—Yes.

642. The estimate for labour is put at 33,600*l.* and the expenditure was 70,709*l.*?—Yes.

643. It seems a remarkable increase in labour where there was all the while a great decrease in the materials employed?—The figure I gave, that is to say the 37,000*l.*, was the total excess on the building of the Royal Yacht. The figure you have referred to on page 43 is only for the one year, 1899-1900; that is not the total cost of the building of the yacht. I might repeat that in the completion of a vessel we always find that the labour varies a great deal more than the material. The material is supplied beforehand, but the labour, especially the joinery work and decoration, and so on, comes at the end of the life of the construction of the ship.

Mr. Blake.

644. Still you knew that when you estimated 33,000*l.* for labour and you spent 77,000*l.*—twice as much money?—I am afraid we can only say the reason was that we were not experienced in the amount of labour that was required to complete a vessel of the class of the Royal Yacht.

Mr. Banbury.

645. The last sub-paragraph in this paragraph refers to the abandonment of the construction of three third-class cruisers included in the Programme Estimate; have you any explanation to give of the abandonment of their construction?—Yes; it was a question of policy which the First Lord decided; I could read, if you like, the First Lord's statement on that point. We could build one second-class cruiser like the "Hermes" for the same price as those third-class cruisers, and we found that other nations were building bigger vessels than third class cruisers.

646. Had any money been spent upon them?—No.

CONTRACT WORK.

Chairman.

647. We are told in paragraph 7 that in the case of three first-class cruisers, the "Bacchante," "Euryalus," and the "Leviathan," the work has greatly fallen short of the estimate, and the chief reason given is that "contractors seriously

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ACCOUNTS, 1899-1900.

Contract Work—continued.

Chairman—continued.

failed to keep pace with what was anticipated"; will those cases all come before the Committee that is now sitting at the Admiralty?—Certainly. Those were all vessels building by contract.

648. With regard to the four steam mooring lighters referred to in the next sub-paragraph, no expenditure appears to have taken place upon them, the explanation given being that "contractors entirely failed to prosecute the work; affairs now in receiver's hands"; are they abandoned?—No, they are not abandoned. The firm of contractors at Millwall became bankrupt; one vessel was completed in 1898-99, and subsequently the firm, after a great deal of delay, has been reconstructed, or rather the business has been taken over by another firm. We shall get the vessels, but we have not got them at the present time.

649. That, of course, created a great deal of delay?—Yes. A new company has been formed to carry on the business, and will complete these vessels.

Mr. Herbert Lewis.

650. Are they simply taking over the old contract on the same terms?—Yes, I think I may say that this is practically the case.

Mr. Goddard.

651. Those vessels were begun in 1895, were they not?—Yes.

652. The first expenditure appears in the year 1895-96?—That is so.

653. Then, up to the present, out of an estimated cost of 30,531*l.* you have only expended 18,739*l.*?—On these particular four vessels, but we have in lieu of them purchased other vessels somewhat of the same class.

654. I suppose these contractors received something on account of their work?—Yes.

655. What has become of that in view of this failure?—The payments were made for work actually performed. The new firm having taken over the work will have to build them for the contract price now agreed on.

656. It only applies to one firm, I understand?—That is all; J. Edwards and Company, of Millwall.

657. Were they contracting to build the whole four?—Yes, the whole four.

Mr. Herbert Lewis.

658. How many mooring lighters were purchased by the Admiralty in lieu of these?—I will not say in lieu of these. A great number of lighters and small vessels were purchased, and I have no doubt that the fact of the deficiency of these four was taken into account; but they were not purchased in default of these vessels in any way.

659. It

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[Continued]

DOCKYARD EXPENSE AND MANUFACTURING
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REPAIRS AND REFITS.

Chairman.

659. It appears from paragraph 9 that there was a large expenditure of 88,000*l.* as the cost of refitting the "Dreadnought"; was the reason of that because there was no estimate of the expenditure before it was undertaken. It appears to have been an old ship, and the Comptroller and Auditor General says this large expenditure "has been incurred on a comparatively old ship, and without any complete estimate of the cost having been submitted to Parliament"?—Yes. She is an old ship, and it was very doubtful at the time how much we should have to spend upon her in order to make her efficient. You will observe that the expenditure has been in progress since 1895-96. Perhaps I might explain: In the first two years—1895-96, 1896-97 she was not actually under repair; that was only expenditure that was incurred in making the boilers in readiness for the time when she came under refit. She did not come into dockyard's hands until 1897-98, the boilers having been made at the yards in the two preceding years; so that she was not under refit from 1895 until 1900 (as perhaps the Committee might think), but she did not start her refit until 1897-98; she was in commission during 1895-96 and 1896-97.

660. £. 40,174 is rather a large sum to spend without an estimate in 1898-99?—We have had an estimate each year, but we did not have the total estimate, which is generally presented to Parliament when we can form an accurate idea of what the ship would cost for refit.

Sir Brampton Gurdon.

661. For 1899-1900 you presented no estimate at all, I understand; was that because you thought it would be completed before the 31st of March 1899?—Yes; the Admiralty thought that she would be completed in 1898-99, and she would have been but for other important work that was taken in hand, in consequence of which she was carried on to the year 1899-1900, for which year there was nothing put in the Estimates.

Mr. Goddard.

662. As a matter of fact, you really expended on this vessel nearly 20,000*l.* more than you had taken in the Estimate, in addition to the 10,636*l.* which was spent in 1894-95?—Yes; we took 69,000*l.*, and we have spent 88,000*l.*

Mr. Blake.

663. In the first two years you say it was for her boilers?—Yes, it was expenditure on boilers made in anticipation of the ship coming into the dockyard's hands for repair.

664. So that you spent 76,000*l.* against a taking of 53,000*l.*?—Yes.

Mr. Cohen.

665. Is it the practice of the Admiralty to arrive at decisions as to alterations in ships

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.

Repairs and Refits—continued.

Mr. Cohen—continued.

without having a complete estimate in their hands; in other words, would not the total amounts which would require to be spent be a factor in deciding whether anything should be spent at all?—Certainly.

666. Is not that object frustrated by this system of taking an estimate only of the amount that is going to be spent in a given year?—It is not the ordinary practice of the Admiralty to do so. This has been represented as an old ship; she is considered an extremely valuable one, and the Board of Admiralty unanimously agreed that the money that had been spent upon her has been well spent, and although it was more than was anticipated yet the ship is a good deal better than they thought she would be after repair; in fact, a good deal more was done upon her than was originally contemplated, and she was brought more up to date and made in every way a good fighting ship. In saying that I am quoting the opinion of the Naval Lords who have reported upon the matter.

Mr. Blake.

667. I would like to know what was done. You say you did not present a complete estimate because it is a very difficult thing to do. Of course it would be impossible if you are quite undetermined what you are going to do to the ship; what did the Admiralty itself calculate they would spend upon the ship before they began the business of repair?—I am afraid that is too technical a question for me to answer.

Mr. Cohen.

668. Did they calculate at all?—Yes.

Mr. Blake.

669. I do not see that it is a technical question. I should say it is a very simple question. You thought you were going to spend, as I understand, 53,000*l.* instead of 76,000*l.*?—Yes, but my business is only to record the expenditure upon these ships; I am not responsible in any way for the estimate.

Mr. Austen Chamberlain.

670. I understand you do not answer as to the policy of the refit?—Not in the slightest. I expressed that opinion just now, because there have been official papers upon the subject in which I happen to know the Board of Admiralty have agreed that it was a very good investment for their money, but I have not the slightest idea as to how that view was arrived at.

671. Your business is to ascertain how the money has been spent?—Yes, that is all.

Mr. Blake.

672. There is some officer, I presume, responsible for making some estimate which is presented to the Admiralty to enable them to judge whether

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Repairs and Refits—continued.

Mr. Blake—continued.

whether they should make the repairs or not?
—Yes.

673. Who is that officer?—The Director of Dockyards.

Mr. Cohen.

674. Then, I presume, the estimate which is presented by the Director of Dockyards is a complete estimate so far as it can be made at the time?—You cannot make a complete estimate until the ship is opened up for repair, when her condition can be ascertained and an idea formed as to the amount of work involved.

675. You can make an approximate estimate, I suppose; an approximate estimate is necessary to enable the Board of Admiralty to decide whether the ship is worth the amount that it will be probably necessitated to put it into a fit condition?—Yes.

676. Before they begin, they need to do that?—Certainly; that is the *modus operandi*.

677. And some officer is responsible for giving that estimate as complete as possible at that stage to the Admiralty?—Yes, but in the course of a year or two other alterations or additions may be suggested that would materially throw out the original estimate.

Mr. Blake.

678. I suppose there are two things: first of all it is impossible to tell how far the ship may have decayed, and whether you may not have something more to do than appears upon the surface?—Yes.

679. And secondly, as the work goes on you go on improving?—Yes, you want to make improvements; that is the point I wished to bring out.

Mr. Herbert Lewis.

680. How long has this work lasted in all?—From the year 1897-98 to the year 1900; the work is now complete.

681. There was expenditure in 1895-96 and 1896-97; that was on boilers only, I understand?—Yes; when the ship was in commission; we employed our time in making the boilers ready for the ship.

682. That is two years for the boilers?—Yes.

683. And how long for the rest of the repairs?—The rest of the repair work was done during three financial years. It did not take the whole of the three years, because, as you see, only 10,000*l.* was spent in 1899-1900; but the expenditure is spread over three financial years.

684. I can understand that when a vessel is opened up a great number of defects are discovered that cannot possibly be foreseen; but does it take so long a period as say two years to discover those defects? Are they not discovered at once, when the vessel is opened up for repair within the first few weeks, or the first few months, at all events?—In the first year, as you

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DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.

Repairs and Refits—continued.

Mr. Herbert Lewis—continued.

will see, 4,000*l.* more was spent on the ship than was estimated. In 1898-99 there was 7,000*l.* more spent.

685. But the estimate in 1897-98 was only 13,000*l.*?—Yes, and we spent 17,000*l.*

686. How was it that the huge expenditure in 1898-99 was not foreseen?—£40,000 was given as the estimate for the year, and the expenditure was 47,000*l.*

Mr. Blake.

687. That is the estimate only for that year, I understand?—That is all. We have given no total estimate.

Sir Robert Mowbray.

688. Is this an exceptional case, and do you as a rule when you are going to repair an old ship, when you are able to form an estimate of what it is likely to be, put down an estimate of the whole expense?—Yes.

689. This is an exceptional case?—Yes; and that accounts for the fact of the Comptroller and Auditor General having called attention to it. It is an exceptional case, and one that is not likely to be repeated, and certainly will not be repeated if we can avoid it.

Mr. Goddard.

690. Was a supplementary estimate taken for this amount, or was it taken out of some other grant?—It was taken out of the aggregate estimate for the year.

Mr. Blake.

691. Have you materials for saying how much of this excess was represented by unanticipated defects, and how much by improvements not originally contemplated?—I have not any materials for doing so.

EXCESSES ON REFITS OF FIRST-CLASS CRUISERS.

Chairman.

692. Have you any explanation to offer as regards the great excess over estimate for the refits of the six first-class cruisers referred to in paragraph 10, amounting to 51,888*l.*?—Yes. Three of those cruisers, I might mention, when the estimates were framed, were on service abroad. We knew they would require to be refitted in the year, and we had to put in the best estimate we could, but they were not in the dockyard's hands when we formed the estimate, and their exact condition could not therefore be ascertained.

693. Therefore it was conjectural?—It was conjectural, founded upon what a sister ship of similar service when she came into the dockyard's

G

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Mr. CHALMERS, C.B., Mr. PHILLIPS, and Mr. VOULES.

[Continued.]

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.Excesses on Refits of First Class Cruisers—
*continued.**Chairman—continued.*

dockyard's hands would require. There was no means of opening these three cruisers up and seeing what repairing would really be required, because they were in commission abroad.

Mr. Goddard.

694. Was the "Blenheim" one of those three cruisers?—No. The "Gibraltar," the "Grafton," and the "Hawke" were the three which were abroad. With regard to the "Blenheim," the explanation is that the repairs which were requisite were found to be very much heavier than was anticipated; they were under-estimated.

695. They came to nearly double the estimate?—Yes. Out of that excess we consider 5,000*l.* was due to alterations and additions, decided on after the ship was taken in hand for repair.

VARYING RESULTS UNDER "INCIDENTAL
CHARGES" AT DIFFERENT DOCKYARDS.*Sir Brampton Gurdon.*

696. In paragraph 11 the Comptroller and Auditor General states that the system of distribution of incidental charges is still under the consideration of the Admiralty; when the Admiralty has arrived at a decision as to these incidental charges, is it likely to cause much greater labour in making up the accounts; would the alterations of the system be in the direction of making more work?—No. I do not think it would; it is a professional question rather than one for myself, and the professional officers have not had time, owing to pressure of other important work, to devote sufficient attention to the question of any alteration in the present system.

697. May we take it that any alterations they may make will not be in the direction of complicating the accounts?—We should aim at simplifying them as far as possible.

698. These accounts involve an enormous amount of labour; this volume, I suppose, costs thousands of pounds?—Yes, no doubt there is a mass of detail in it.

699. Is that useful for your own work as well as for the purpose of putting the accounts before the Comptroller and Auditor General?—We are obliged to keep accounts of the absolute cost of repairs and building of a ship, for one reason to act as a guide in future cases in making our estimates in such cases as have been already referred to. But I think if it was not for the Comptroller and Auditor General, and perhaps for Parliament considering these accounts, we should not publish such detail as we do in accounting for every pound that is spent on the repair of every ship in the Navy, and also on our manufacturing accounts.

700. There seems to be enormous labour involved in these accounts, which must represent an enormous sum of money, and it is very difficult to tell unless one has worked it out for

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.Varying Results under "Incidental Charges
at different Dockyards—*continued.**Sir Brampton Gurdon—continued.*

one self whether it is absolutely necessary to present either to the Comptroller and Auditor General or to us as representing Parliament all these details?—It certainly goes into great detail.

Mr. Austen Chamberlain.

701. If that were the opinion of the Committee perhaps the Committee might ask that it should be considered between the Admiralty and the Comptroller and Auditor General whether some part of these details might be dispensed with?—I think I am justified in saying that the Admiralty would be glad to do away with some of the detail.

Sir Brampton Gurdon.

702. If you do give us all this information, would it not be as well to inform us of the name of the contractors, because with all this information we yet do not know the name of the contractors in each case?—There would not be the slightest difficulty in giving that. In the Navy Estimates we do put the name of the contractors.

703. But it does not appear in these Accounts?—That is so.

704. We are told almost every conceivable thing; we are told, for instance, that the shortage is due to delay and all that, but we do not get the name of the contractors?—I think there would be no difficulty in putting that in if it were desired.

Mr. Goddard.

705. As I understand, it is not so much the labour of dividing up these items as it is the great variation in the per-centage at the different dockyards which seems so extraordinary, varying from 10·4 per cent. at Chatham to 18·7 at Sheerness?—Yes.

706. That is an extraordinary variation?—That is the one great discrepancy that does occur. In a small yard like Sheerness, where they do comparatively little shipbuilding, &c., and where they are bound to have a certain supervising staff, the incidental expenses are very much heavier in proportion than at a large dockyard, where the expenses of that staff are spread over a greater production of work in the way of shipbuilding and repairs. At a small yard the incidental expenses are out of all proportion to what they would be at a large yard. I do not think that any way of readjusting the incidental expenses would altogether get rid of that difficulty.

707. I see the Comptroller and Auditor General speaks of the Admiralty having promised to take an early opportunity of looking into this matter; may I ask whether they are dealing with it yet?—It will be dealt with at the beginning of the next financial year.

708. And then the Sheerness charges will be
looked

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Mr. CHALMERS, C.B., Mr. PHILLIPS, and Mr. VOULES.

[Continued.]

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.Varying Results under "Incidental Charges"
at different Dockyards—*continued.*Mr. Goddard—*continued.*

looked into?—Unless you decided that all the incidental expenses for each yard were to be the same, it would follow, I think, that a yard like Sheerness would always have greater incidental expenses to distribute over the work than would be the case in a larger yard, because there are so many items of expenditure that are common to a small yard as well as to a large one.

Mr. Austen Chamberlain.

709. What I may call your expenses of supervision and management would be bigger in proportion on a small business than on a large business?—That is so.

710. One is wholesale and the other is not wholesale, to the same extent, at any rate?—Yes.

Mr. Banbury.

711. I should like to ask one question upon the subject of this large mass of detail given in these Accounts. No doubt it seems to be very superabundant; but, on the other hand, am I not right in thinking that it affords some check and some guidance as to future expenditure?—Yes.

712. You would have to keep something of this sort, would you not, in order to found your estimates upon if you wanted to build economically and wished to know what you were really doing the work for?—Yes.

713. Therefore the additional expenditure that is required, if it is to be laid before Parliament and this Committee, cannot be very great, I presume?—I am not prepared at a moment's notice to say what the saving would be. The mere fact of printing the details is not a large item. But as to whether we should find it requisite for our purposes virtually to keep the whole of this detail and all this information, if it were not for the requirements of Parliament and of the Comptroller and Auditor General, may be open to question.

NAVAL YARDS ABROAD.

BERMUDA ACCOUNTS.

Mr. Brodie Hoare.

714. In paragraph 15 reference is made to some errors in the Bermuda accounts; has there not been some trouble at Bermuda before?—I think that the Comptroller and Auditor General has not had a detailed examination of the Accounts there for three years certainly.

715. My memory goes back more than three

DOCKYARD EXPENSE AND MANUFACTURING
ACCOUNTS, 1899-1900.Naval Yards Abroad.—Bermuda Accounts—*continued.*Mr. Brodie Hoare—*continued.*

years on this Committee, and I have a vague impression that there has been trouble at Bermuda before?—In my official experience there has not been any.

716. Before we part with these Accounts, *apropos* of these masses of detail of which we have been speaking, let me put this case, which will serve as a sort of test: I open the book accidentally at page 154, and I find that that deals with "Timber and Timber Materials." I should like to ask who buys that timber; is it bought by a special officer?—We have Timber Inspectors who select this timber for the Admiralty.

717. Of whom do you buy Honduras mahogany which I see mentioned there?—I am afraid I should not like to say who has that contract.

718. Is it bought through a contractor, or do you go to the docks and buy it, or what?—Some of the timber we buy in floating cargoes if we can get it.

719. You would not buy a floating cargo of Honduras mahogany; but you can buy as much as ever you want at the docks. What I want to know is, do you lay in a stock of this stuff. I see you bought apparently 1,324 feet, which is very little, and you paid 1s. 10½d. per foot for it?—That transaction relates to Portsmouth Dockyard only.

720. That was very small wood; it was 2½ inches square, I suppose. Now I happen to know that almost any day you like to go to the docks you could buy 2½ inches square mahogany at something like 4d. a foot?—I am afraid I could not speak to the special details as to that; I have nothing to do with the purchasing of the material.

Mr. Austen Chamberlain.

721. Perhaps it would be better to get this information from the Director of Contracts?—Yes.

Chairman.

722. Is the Director of Contracts here?—No, he is not. Perhaps I might point out to the honourable member that the timber referred to on page 154 is not timber in a raw state. This includes the cost of the timber being cut; it is not for the purchase of the timber only.

Mr. Brodie Hoare.

723. It says, "Timber and Timber Materials"?—At the top of the page you will see it says, "Statement showing the net cost of the principal Timber Materials cut."

724. I had not noticed that?—These are conversion accounts.

[Mr. Voules withdrew.]

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Mr. CHALMERS, C.B. and Mr. PHILLIPS.

[Continued.]

NAVAL WORKS ACTS, 1895, 1896, 1897, and 1899, ACCOUNT.

Colonel EDWARD RABAN, R.E., and Major H. PILKINGTON, C.B., R.E., called in; and Examined.

COMPARISON OF ESTIMATE AND EXPENDITURE,
1899-1900.*Chairman.*

725. (To Colonel Raban.) You are responsible for part of this Estimate, are you not?—Yes.

726. (To Major Pilkington.) As I understand, the estimated expenditure for 1899-1900 amounted to 1,509,864*l.* and the actual expenditure to 1,498,898*l.* That is a pretty close estimate, is it not; it is a difference of 11,000*l.* only?—It is a very close estimate, but the figures were given somewhat later in the year. It was the first half of the two years.

PROVISION OF MONEY FOR EXPENDITURE
IN 1899-1900.*Mr. Cohen.*

727. (To Mr. Chalmers.) In paragraph 2 reference is made to a sum borrowed "on the security of the terminable annuity about to be set up"; you will, no doubt, recollect that there was a question raised and discussed last year with Sir Edward Hamilton about setting up annuities?—Yes, there was a case in connection with the Uganda Railway.

728. I am not going to refer to that case; but is not this the same point here, that there is a sum borrowed "on the security of a terminable annuity about to be set up." As regards that expression "about to be set up," is not that irregular; did we not last year come to the conclusion that if an annuity is set up it must be printed in the Estimates and submitted to Parliament, and that the Public Works Commissioners cannot advance their money without the annuity being set up concurrently. That is the impression I derived from the subject being investigated last year before this Committee?—That was a view that was put forward in the Committee; but the decision of the Committee, if my memory serves me right, was to acquiesce in the matter being referred to the law officers of the Crown. The law officers of the Crown did not maintain the view which the honourable Member has mentioned, but stated that the Treasury had been justified in the procedure it had adopted, which was simply to set up an annuity in respect of the whole year's borrowing at the end of the year, instead in respect of each instalment of borrowing.

729. I think it is very important to have that information, because it is not stated anywhere in these accounts, is it?—It is so stated in what is before the Committee now, viz., the Treasury Minute on last year's report of this Committee.

LARGE INCREASE IN TOTAL ESTIMATED
EXPENDITURE IN 1899-1900.*Chairman.*

730. (To Colonel Raban.) I observe the expenditure under the Naval Works Act, 1899, has grown up to 23,636,922*l.* as against

LARGE INCREASE IN TOTAL ESTIMATED
EXPENDITURE IN 1899-1900—continued.*Chairman—continued.*

17,304,000*l.* scheduled in the Act of 1897, and in 1895 it was 8,806,000*l.* Could you tell us what is to be the limit to this expenditure, or is there any limit?—I am afraid I cannot tell that; that is a matter of naval policy; I do not think I can tell you anything about that.

731. You do not know when the amount allowed under these Naval Works Acts will be exhausted?—This increase in the total estimated expenditure which you are referring to in the schedules of the Acts has increased in the way you have pointed out, as new works, have been voted by Parliament, and the new items introduced since the Bill previous to this are mentioned in paragraph 3 of the Report.

Mr. Austen Chamberlain.

732. All the increases mentioned by the Chairman are therefore, as I understand, not in the main variations of estimates already given (although they are partly that), but they are principally additional works introduced and sanctioned by Parliament in later Bills?—Certainly.

Mr. Blake.

733. And scheduled in the Naval Works Act, 1899?—Yes.

Mr. Austen Chamberlain.

734. Scheduled in the Act of 1899 for the first time, not appearing in the Act of 1897?—Yes.

Chairman.

735. Under the head of "Increased Estimates" I see an item "Superintendence," 473,000*l.*, what does that represent?—That is the way the staff is paid for the whole of these works. When estimates have been got out for all the individual work, a fixed percentage is taken for the staff for executing these works. The staff is kept as a separate charge from the actual expenditure on the works themselves, so that the item for "Superintendence" is a fixed percentage on the total charge for works.

Mr. Blake.

736. How does it come under the head of "Increased Estimates?" I should have thought it would have been normal?—In proportion as the estimates are increased, a fixed charge is added for "superintendence."

737. Is the 473,000*l.* attributable only to the increase in the Estimates, the other charges for "Superintendence" being included in some other head?—It is a fixed charge of 5 per cent.

Mr. Austen Chamberlain.

738. It provides for the new staff for the new works, does it not?—It is really 5 per cent. upon the works whatever we get allowed for works; we take 5 per cent. for superintendence upon that.

739. Is

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Mr. CHALMERS, C.B., Mr. PHILLIPS,
Colonel RABAN, R.E., and Major PILKINGTON, C.B., R.E.

[Continued.]

NAVAL WORKS ACTS, 1895, 1896, 1897, AND
1898, ACCOUNT.Large Increase in Total Estimated Expenditure
in 1899–1900—*continued*.Mr. Austen Chamberlain—*continued*.

739. Is it 5 per cent. upon all the works?—*(Major Pilkington)*. It is $7\frac{1}{2}$ per cent. upon Hong Kong and the Cape. It is $7\frac{1}{2}$ upon some and 5 per cent. upon the rest.

740. It is $7\frac{1}{2}$ upon some works where it is thought the superintendence would be more expensive?—Yes; we take the total of the works and add on this percentage for superintendence and miscellaneous charges.

WORKS NOT FULLY COMPLETED IN 1899–1900.

Sir Brampton Gurdon.

741. *(To Colonel Raban)*. With regard to the two first items in paragraph 4, at Portsmouth and at Haulbowline, were they finished in the year ending 31st March 1900?—No; neither of them were finished in that year.

742. Will it be finished before this 31st March—Portsmouth is entirely finished and paid for. Haulbowline is practically finished. There are still some small items in connection with completing the electric light; but for all practical purposes the work has been finished.

743. There is another service, Haslar Hospital Extension, which ought to have been completed by the 31st March; has that been completed?—No.

744. Will it be completed during the present financial year?—Not entirely; I am afraid it will not be completed entirely until about June of this year.

745. You think it will go until June?—It will be completed, I hope, in June, so far as I can see at present.

WORKS APPARENTLY SUSPENDED.

Mr. Goddard.

746. I want to ask about these two works referred to in paragraph 6, Colombo Dock and Sheerness Naval Barracks, upon which the work seems to be suspended; no money is being expended upon them; is there any reason for the suspension of those works?—The Colombo Dock work is not suspended at all really. The explanation is this: We have entered into an agreement with the Colonial Government of Ceylon that they shall build this dock in return for a fixed contribution from the Admiralty. Part of our condition was that when the work was commenced we would deposit a certain sum, 15,000*l.*, which you see mentioned there, to give them something to work upon; but after that we would only pay our share of completed work. The work has been going on steadily ever since, and they have expended a considerable sum in what may be called temporary works; but there is nothing that can be measured and paid for as completed work, so that we have not paid more than the 15,000*l.* which we deposited as an aid

NAVAL WORKS ACTS, 1895, 1896, 1897, AND
1898, ACCOUNT.Works Apparently Suspended—*continued*.Mr. Goddard—*continued*.

to them to finance the work. But as I say, the work has been going on steadily all the while; there has been no interruption whatever.

747. As a matter of fact have you 80,000*l.* unexpended balance in hand for this work?—Yes. We had anticipated that they would be able to send us certificates for completed work to a further amount than they have been able to. They have got their dam in and certain things done; but they have not got completed measured work that we could pay on. But the work is proceeding without any interruption.

748. When is it expected this 80,000*l.* will be required; and what is being done with it in the meantime?—What is being done with it in the meantime is that it goes into the aggregate of the money you have voted under the Naval Works Acts. We take an estimate for two years. Some of our works have progressed faster than was anticipated, and some of the works have progressed more slowly. Those that have progressed faster we pay for out of the money saved upon those that have progressed more slowly.

Mr. Austen Chamberlain.

749. But this money would not be issued from the Exchequer unless it was actually required?—Certainly not.

750. No money is raised or issued until it is actually required?—No.

Mr. Goddard.

751. You mean that out of the 80,000*l.* sanctioned under the Naval Works Act you have only had an issue of 15,000*l.*?—For this work. Of course you have not only sanctioned the expenditure asked for for these two years, you have sanctioned the whole expenditure. You have voted what we asked for the two years; but you have sanctioned the whole expenditure, and if the work had progressed much more rapidly we should have paid more, keeping of course within the total estimate.

752. We have sanctioned, you mean, the whole original estimate, 159,000*l.*?—Yes.

753. Under the new arrangement with the people who are now constructing the dock, will that be sufficient?—£159,000 is the absolute limit. Under no circumstances shall we pay more than that.

Mr. Austen Chamberlain.

754. That is the agreement with the Colonial Government?—Yes, with the concurrence of the Colonial Office.

755. This is a subsidised dock which we have entered into an agreement with the Colonial Government to construct on certain terms?—Yes.

756. And that is the limit of our contribution?—That is an absolute limit; whatever happens we cannot pay more than that.

757. *(To*

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Mr. CHALMERS, C.B., Mr. PHILLIPS,
Colonel RABAN, R.E., and Major PILKINGTON, C.B., R.E.

[Continued.]

NAVAL WORKS ACTS, 1895, 1896, 1897, AND
1898, ACCOUNT.Works Apparently Suspended—*continued.*

Mr. Goddard.

757. (To Major Pilkington.) With regard to the Sheerness Naval Barracks, has the work been suspended altogether?—That service has been abandoned altogether. That was explained in the First Lord's Statement. We are not going to build at Sheerness at all.

NAVAL WORKS ACTS, 1895, 1896, 1897, AND
1898, ACCOUNT.Works Apparently Suspended—*continued.*Mr. Goddard—*continued.*

758. Then was all the money that was issued with regard to that service, 1,057*l.*?—Yes.

759. The rest was never issued?—No.

[Colonel Raban and Major Pilkington withdrew.]

GREENWICH HOSPITAL AND TRAVERS FOUNDATION.

Mr. GEORGE T. LAMBERT, C.B., called in; and Examined:

Chairman.

760. On page 14 of the accounts the cost of the Administration of Greenwich Hospital is given, the total being 5,694*l.* as I understand?—The cost of administration is 3,861*l.*, as shown at page 14.

761. You are excluding law charges and the other items shown at the bottom of the page?—The cost of administration at the Admiralty is 3,861*l.*, the first item. The remainder is made up of law charges, superannuation allowances, and expenses of local management of landed estates.

762. The statement given here is what was desired by the Public Accounts Committee last year, is it not?—That is so.

763. As I understand you have invested more than you received, but that was met by 70,000*l.* remaining as a balance from last year?—That is so.

764. You are still pursuing the same policy of buying freehold ground rents, I understand?—We have only succeeded really in purchasing one in recent years.

765. But the amount has been 27,000*l.* that year?—Yes, in that year; that is in ground rents in the City.

766. You find that a convenient form of investment, I presume?—Very. In the circumstances of Greenwich Hospital it seems to be a very good form of investment; it is very secure.

767. And it gives very little trouble of administration?—Very little.

Mr. Cohen.

768. Does it yield as much or more than Government stock?—More. This particular investment pays now 3*l.* 6*s.* 8*d.* per cent., and there is the reversion besides.

769. You say the ground is situated in the City of London?—In the middle of the City.

Mr. Brampton Gurdon.

770. I perceive among the receipts there is a sum of 21,000*l.* for Parliamentary Grants; is that entirely educational?—The Parliamentary Grants consist of two items: one of 16,000*l.* a year given in consequence of the recommendation of the Committee of the House of Commons in 1892;

Mr. Brampton Gurdon—*continued.*

and the other item is 4,000*l.* a year which was given when the Hospital was closed in 1869, making 20,000*l.* a year between them.

771. Is that on account of schools?—No, it really goes in pensions to the men.

772. The whole of the 20,000*l.* is voted by Parliament?—No; 16,000*l.* is voted by Parliament, and 4,000*l.* is charged upon the Consolidated Fund.

773. What is the remainder, the 1,142*l.*?—That is the Education Grant earned by the school.

774. The rest is Parliamentary Grants?—Yes.

775. Have you now invested this sum, referred to in paragraph 8, of 19,500*l.*, the purchase money of Alton Park Farm?—Yes.

776. In the same way, in ground rents?—It is invested in a mortgage, a first charge upon a freehold estate, at 3½ per cent.

Mr. Herbert Lewis.

777. On page 4 I see one of the securities is "Mortgage of freehold estates in Lincolnshire and Northamptonshire"; is that agricultural property or town property?—It is partly town property and partly agricultural.

778. The mortgage was renewed a short time ago; I presume you were fully satisfied, so far as the agricultural portion is concerned, with the nature of the security?—It is most carefully valued.

779. With regard to a later item "Mortgage of freehold estates in Northumberland, 100,000*l.*"; is that all in one block, or is it scattered?—The estates on which that money is invested belong to the same person, but they are in two parts.

780. I presume on renewal you are amply satisfied with the nature and sufficiency of the security?—We take care that that is so.

Mr. Austen Chamberlain.

781. What is your general rule with regard to the security?—We generally lend up to one-third of the capital value, after a most careful field-to-field valuation.

782. Do you make any further limitation as to the proportion that the rental must bear to the interest of your loan?—It usually follows that the net rental is three times the amount of the interest on the loan.

783. But

27 March 1901.]

Mr. CHALMERS, C.B., Mr. PHILLIPS, and Mr. LAMBERT, C.B.

[Continued.]

GREENWICH HOSPITAL AND TRAVERS
FOUNDATION.

Mr. Herbert Lewis.

783. But that would vary in town and country respectively, would it not?—We have not, as a matter of fact, lent money on exclusively town property; we have not had occasion to do so.

784. On page 8 it is stated that certain royalties have been received from collieries and limeworks; do you treat all the royalties you receive as income, or do you treat any portion of them as capital?—Entirely as income.

785. Is not that contrary to the usual rule in trusts?—I do not know that there is any absolute rule upon that point; I know the practice varies.

786. Are you aware, for instance, that other Government Departments treat 50 per cent. of the income derived from royalties as income and 50 per cent. as capital?—I have always understood that certain trusts do so treat income derived from minerals.

787. Do not you think it is better to treat it in that way than to treat what must necessarily be, to some extent, a wasting quantity, entirely as income?—I regard it in this way: we make it a rule—and it has been laid down by the Board of Admiralty more than once—that there shall be surplus income every year for investment; and this income which is derived from minerals forms part of that surplus, and is invested; so that practically it comes to the same thing, or very much the same thing.

788. The same answer, I presume, would cover a similar question with regard to the proceeds of the sale of timber, of which really only a small part could properly be treated as income?—Timber may be regarded, and is often regarded, as a crop. When it comes to maturity, it is realised and sold, and the land replanted. It is recurring; it does not wear itself out like a mine.

789. Because Greenwich Hospital, unlike an individual, never dies, and therefore it can afford to wait for the next crop; that is the idea, I suppose?—Yes.

Mr. Blake.

790. Seeing that, as you say, mines wear out, would it not be sounder to adopt the other system with regard to these royalties, of treating a certain portion of them as capital, and putting

GREENWICH HOSPITAL AND TRAVERS
FOUNDATION.

Mr. Blake—continued.

them aside as capital; you say you have a rule that there shall be surplus income every year for investment, and that as these royalties go to make up that surplus they thereby add to your capital; but you are not really adding to your capital to the extent that you are depreciating the capital, by the amount of such royalties which is really capital?—The amount which we receive from royalties is not great; the amount we invest as surplus income is greater.

Mr. Banbury.

791. On page 5 I see you have certain mortgages at $3\frac{1}{2}$ per cent., that is rather a low amount of interest, is it not?—Those mortgages were effected just before the recent great increase in the value of money. About the early part of the year 1899 it was very difficult indeed to get interest for money beyond 3 per cent., upon such security as we should require. We were glad to get $3\frac{1}{2}$ per cent. at that time.

792. I should have thought that the great fall in investments began further back, in 1896?—We were very glad to get $3\frac{1}{2}$ per cent. at the time having regard to the price of money just then.

Mr. Austen Chamberlain.

793. As you have already explained to the Committee, you are very particular about what sort of mortgages you take?—Yes.

794. You only take the very best security?—Yes.

Sir Brampton Gurdon.

795. As regards the "Explanations of Difference" given in these accounts, we are always very glad when you are kind enough to give any explanation, such as "Larger receipts than anticipated attributable to delay in completing sale," and so on; but is it not rather absurd to give as an "explanation" over and over again, "Differences between actual and estimated receipts"; would it not be better to leave the explanation blank?—Perhaps it would be better.

796. That is not an explanation; it is a mere statement of the fact?—Yes.

[Mr. Lambert withdrew.]

VICTUALLING YARDS MANUFACTURING ACCOUNTS.

No questions.

The Witnesses withdrew.

Wednesday, 24th April 1901.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.

Mr. Goddard.
Sir Arthur Hayter
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Mr. ROBERT CHALMERS, C.B., and Mr. DOUGLAS CLOSE RICHMOND, called in; and Examined.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Mr. FRANK THOMAS MARZIALS, called in; and Examined.

Chairman.

797 (To Mr. Marzials.) You are here as Accountant General to the Army?—That is so.

GRANT AND EXPENDITURE.

Chairman.

798. I observe in paragraph 2 of the Comptroller and Auditor General's Report that the net amount originally granted by Parliament for the Army Services for the year under review was 20 millions of money?—Yes.

799. But since then there were two supplementary estimates in October 1899 of 10 millions, and in February 1900 of 13 millions, making a total of 43,617,200*l.* voted?—That was so.

800. Then the net expenditure appears to have been (putting aside the Appropriations in Aid) 43,065,397*l.*, leaving a net surplus of 551,802*l.*?—That was so.

801. But this surplus of 551,802*l.* will be considerably reduced when other sums are brought into account which had not yet been brought into account when the Appropriation Account was closed?—That is so.

Mr. Gibson Bowles.

802. The total Parliamentary Grant, according to the first part of the paragraph, was 43,617,200*l.*, in addition to 3,200,133*l.* Appropriations in Aid; is that so?—That is so.

803. The gross grant, therefore, was 46,817,333*l.*?—That is so.

804. But in addition to that gross grant, am I right in saying that there are two further items of expenditure beyond the 46,800,000*l.*; first there is an item of 140,818*l.* 10*s.* 4*d.* which had been incurred in the year, but had not been included in the Appropriation Account, because the Accounts relating thereto, although received in the War Office, had not been allowed before

Mr. Gibson Bowles—continued.

the Appropriation Account was closed?—That is so.

805. Am I right in saying that, in addition to that further amount, there is also a further statement of accounts to come. The last part of the paragraph says that: "there is a further statement of accounts relating to the year 1899-1900" (which is the year before us), "which had not been received in the War Office on the 30th September 1900. The amount of this latter expenditure is not stated"; therefore you have got 46,800,000*l.*—you have got 140,818*l.* and a further statement of accounts (all belonging to this same year), the amount of which was not known to the Comptroller and Auditor General when this Report was drawn up?—That is so.

806. Can you now tell the Committee anything with regard to the amount of this further statement of accounts?—All the accounts have not yet been received.

807. But can you tell us anything with regard to the amount of this further statement of accounts?—Partially I can.

808. Will you state partially what the amount is?—Yes. A certain portion of the accounts have been received to date; and these accounts show an expenditure of 178,800*l.*, which of course is in addition to the 140,818*l.* which you had before. There are certain further accounts which have not yet been received and which we are applying for and trying to get, and when they are received they will show a further addition to the sum you have before you.

809. You

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Grant and Expenditure—continued.

Mr. Gibson Bowles—continued.

809. You say you have received some of these further accounts and they amount to 178,800*l.*?
—Yes.

810. Can you give the Committee any notion of what proportion of the whole of the further accounts that sum represents?—I can only tell it you from the number of accounts. I cannot give you any idea as regards the amount. As to the amount I can give no guess until the accounts come in.

811. Could you give no guess at all as to the amount?—I could not give any guess as to the amount represented by those accounts which have not yet come home and been received by us.

812. Could you not tell us whether they would represent tens of thousands, hundreds of thousands, or millions?—There are about 30 accounts not yet received, and I should say, myself (but it is really only a rough guess), that they would amount to probably something under 100,000*l.*, but you must understand that is only an estimate.

813. (To Mr. Richmond.) With regard to the last part of paragraph 2, as regards these three items, 140,818*l.*, which is mentioned in that paragraph, the 178,800*l.* which has now been mentioned by Mr. Marzials, and the probable 100,000*l.*, more or less, still to come, am I right in saying that none of these sums have been dealt with by the Comptroller and Auditor General up to now?—You are right in saying so. They have not been examined by us.

814. They will remain for future treatment?
—Yes, when the accounts come in.

Mr. Brodie Hoare.

815. (To Mr. Marzials.) Has that 551,000*l.* been surrendered to the Commissioners?—It presumably will be surrendered; I do not think it has yet been surrendered. It is a surrenderable balance.

816. Which will be surrendered and not be affected by these accounts which are not brought in?—I think I should like to consult my colleague at the Treasury with regard to that. (After consulting with Mr. Chalmers.) The surrenderable balance will be the 551,802*l.*, that is to say the expenditure in respect of these accounts which have not yet been received, or which have been received but which have not yet come before you, will appear in the accounts for the following year.

Mr. Cohen.

817. They cannot be deducted from the 551,800*l.*?—They will not be deducted from the 551,800*l.*

818. That is to be surrendered in its integrity?
—Yes.

Chairman.

819. That is the invariable practice, is it not?—That is the invariable practice with regard to any balance of an account which is accurately known at the time. Of course this account is in some respects exceptional in that, owing to 0.14.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Grant and Expenditure—continued.

Chairman—continued.

exigencies, all our accounts for the year were not in when the Appropriation Account was closed. That is what makes the difference between this year and an ordinary year.

EFFECT OF THE WAR IN SOUTH AFRICA
ON ARMY VOTES.

Chairman.

820. (To Mr. Marzials.) The total amount up to the 31st March for the war charges on the different Votes amounted to 22,790,000*l.*, did it not?—That is so.

821. That, of course, is just 210,000*l.* under the 23,000,000*l.* of the Supplementary Estimates?—Yes.

Mr. Gibson Bowles.

822. I should like to ask why it is that these extra charges have not been distinctly recorded in the War Office books?—It is almost impossible to record from a strict account point of view the difference of expenditure arising from a great expedition—a war, for instance. There is a great deal of expenditure that can be distinctly put down as war expenditure and as nothing else, such as purchasing horses or hiring ships, or any expenditure of that kind, which really would not have been incurred if there had been no war; but, with regard to a vast amount of the expenditure, it must really be an estimated difference, and no more. You have to consider how much that same force, or a peace force, would have cost if it had been in its normal garrisons, whether in England or elsewhere, and the additional expenditure which has been thrown upon the Army Votes by its being placed under totally different conditions. As I said before, some of the expenditure is pure war expenditure, and that you can record in the account as war expenditure; but, as regards a great deal of the expenditure (I might even say the mass of it), it must form the subject of estimate as between what the charge would have been in peace and what the charge would have been in war.

823. But you will find the whole of this expenditure to which I am referring, which amounts to 22,790,000*l.*, is set forth under general heads on pages 160 to 164; is not that so?—That is so, no doubt.

824. If you can set it forth generally in that way, why is it difficult to distinctly record it in the War Office books?—Those items of expenditure which we have in the statement in Paper 23 are items of expenditure which we have arrived at in the best way we could, but they do not form a distinct charge. You cannot take a private's food or any soldier's food, and in recording the expenditure for that food in the account say that this portion of it is war expenditure and that portion of it is peace expenditure. You have as best you can (and that is how this Statement has been prepared) to estimate what the expenditure would have been under certain conditions,

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Effect of the War in South Africa on Army
Votes—continued.

Mr. Gibson Bowles—continued.

conditions, and what it would have been under other conditions.

825. Then this is not an estimate of expenditure; it is an estimate of suggested differences in expenditure arising from the state of war?—That is so in a very great measure.

826. (To Mr. Richmond.) I do not know that you make a complaint of it, but you point out in paragraph 3 of the report that the result of there being no distinct record at the War Office of this 22,790,000*l.* of expenditure is that you have been unable to audit it and to verify the accuracy of the figures?—I have been unable to verify the accuracy of the figures. It would be a very laborious process for my officers to call for and examine the War Office books and ask for an explanation on this point and that point, as would be necessary in order to determine what was special expenditure and what was ordinary expenditure.

827. It is the fact, I understand, that in consequence of the absence of this accurate record you have been unable to verify the accuracy of the figures?—Quite so. I wished to bring out the fact that I took that sum of 22,790,000*l.* from the War Office record, and that I am not responsible for its accuracy.

828. Do you see any inconvenience in leaving this sum unverified as you state it is, and must remain from the Comptroller and Auditor General's point of view?—I cannot say that I see inconvenience in it. Parliament would no doubt have been glad if it could have had precise and verified figures; but it is impossible for me to carry the matter further than the Accountant General has done.

829. (To Mr. Chalmers.) What view do you take upon this point?—I think the War Office has done its utmost to show Parliament what the war has cost to the best of its ability. No doubt this statement is to a considerable extent a matter of guess work, but it is the best guess they can make. Naturally the Comptroller and Auditor General is unable to show by exact figures whether the estimate of the War Office is or is not exact to a penny.

830. You, as representing the financial control of the Treasury, would perhaps think that under the circumstances that was unavoidable; have you any complaint to make about it?—No; on the contrary, I think it is very praiseworthy on the part of the War Office to endeavour to show what the war expenditure has been. There is no absolute obligation put upon them to show how much of that expenditure under the Appropriation Account is due to war; but they have made an attempt to do so.

Mr. Cohen.

831. (To Mr. Marzials.) At some time or other I suppose the War Office for its own satisfaction will have a detailed account properly vouched showing what has been the actual number of

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Effect of the War in South Africa on Army
Votes—continued.

Mr. Cohen—continued.

sovereigns spent in respect of these various items?—The War Office has at the present moment an absolutely complete account of all the expenditure, but that account includes not only the war expenditure, but the peace expenditure. The difficulty is not as regards the vouching of such expenditure, but as to accurately and as scientifically allocating it as between war and peace expenditure.

Sir Robert Mowbray.

832. (To Mr. Richmond.) I understand you have verified the accuracy of the whole expenditure, but what you cannot verify is the proportion assigned to extra expenditure caused by the war?—I have satisfied myself that the proper sums are charged in the Appropriation Account, and I merely quote this statement for the information of Parliament as being, as I understand, the best approximation that the War Office can make to the cost of the war up to the 31st of March 1900; it is merely as a matter of record and information.

833. But every sixpence that has been spent, you, I suppose, have vouched, or you have seen it has been vouched?—It is impossible for my department to see all the vouchers of the whole of the vast expenditure of the War Office; I am not required by the Act of Parliament to do that.

834. But in this year you have seen that the War Office expenditure is vouched in the same way as in another year?—Quite so, for the purpose of the Appropriation Account, subject always, of course, to what I have said in my report.

ACCOUNTS AND VOUCHERS LOST IN THE WRECK
OF THE S.S. "MEXICAN."

Chairman.

835. (To Mr. Marzials.) These vouchers to the pay lists referred to in paragraph 4 that were lost in the "Mexican" relate to the Accounts for the month of February 1900, do they not?—That is so.

836. As I understand, there were two sets of accounts: one relating to the pay lists of regiments, and the other to the district pay lists?—Yes. The one set of charges were charges that came in through the companies representing roughly the pay of the men; and the other set of charges were charges of a varied character for supplies, horses, provisions, and carriage, and everything that does not relate to the pay of the men themselves.

837. The pay of the staff would be included in "District Payment"?—Yes.

838. With regard to the first, as I understand, duplicate copies of the pay lists are kept, and those have been furnished to the War Office since the accident?—Yes.

839. But on the other hand the district paymasters have not been able to supply their vouchers.

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Accounts and Vouchers Lost in the Wreck of the s.s. "Mexican"—continued.

Chairman—continued.

vouchers because they do not keep duplicate lists?—That is so. The paymaster out there did what we had not insisted upon his doing; he sent out on his own responsibility statements to the main portion of the contractors and other persons to whom he had paid money asking them to acknowledge that such money had been received by them; and as regards 80 per cent. of the recipients he did receive replies stating that the money had been received. The evidence of actual payment is, I think, very, very strong.

840. Lord Lansdowne took the course of sending a letter out to each chief paymaster, to be circulated to every paymaster, certifying that to the best of his knowledge and belief these moneys had been paid?—That was so. He required a certificate to that effect; that certificate was given; and, in so far as we have been able to check it, I think there is no doubt that the account represents actual payments made.

841. Is the arrangement with such a large force as there is in South Africa that you have one chief paymaster in Cape Town and one chief paymaster in Natal, and then there are other district paymasters who make these staff payments and the payments for contracts, and besides that there is the paymaster of the regiment; is that so?—There is no paymaster of the regiment at present.

842. Then what is done as regards the company payments?—The company pays itself, and the account is rendered to the nearest paymaster who happens to be there; but the paymasters you have mentioned are subsidiary to the paymasters at Cape Town and at Durban; those are the two main accountants in South Africa.

843. And they both strongly represented that they could do no more, and strongly deprecated any further attempt being made to supply further certificates in regard to these accounts?—Yes.

844. (To Mr. *Richmond*.) Do you consider, with the evidence that has now been given, the Committee might recommend Parliament to accept the certificates as the best we could get?—I have not ventured to go so far in the Report as to give that advice to Parliament. I thought it was not for me to grant anything in the way of absolution from the precise requirements of the Act; but I hope I have indicated sufficiently clearly my view that it is impossible to carry the matter further, and I should hope the Committee will see its way to advise Parliament in the sense that the Chairman has suggested.

Mr. Gibson Bowles.

845. I see you refer in paragraph 4 of the Report to two sums of 710,402*l.* paid and 19,221*l.* received, which leaves a balance of 691,181*l.*; is not that so?—If the one sum was subtracted from the other it leaves that result, but they relate to different matters. One is receipts and the other payments.

0.14.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Accounts and Vouchers Lost in the Wreck of the s.s. "Mexican"—continued.

Mr. Gibson Bowles—continued.

846. But are they different matters?—I understand so. I understand the receipts would be something distinct from the payments.

847. But are they not with regard to the same kind of matter. (To Mr. *Marzials*.) Can you tell us as to that?—I do not know what those individual receipts come from, but they would be receipts of the same kind in so far as they were Army receipts.

848. They are described as district payments and receipts?—They might be payments for supplies or stores sold, and represent the amounts realised, or payments made by officers for horses or anything of that sort, but they would be matters of an Army kind.

849. Coming under the same general heading?—Yes.

850. (To Mr. *Richmond*.) You say in your report that this amount has been included in the Appropriation Account, under Treasury directions; did it require any Treasury direction to include this in the Appropriation Account?—It is a matter of procedure upon which I am scarcely able to pronounce an opinion. I do not know how far the Treasury would hold that their consent was necessary for the introduction of these sums into the Appropriation Account.

851. I will ask Mr. *Chalmers* as to that in a moment, but I wanted to take your view of it as auditor. Is it necessary in the ordinary course of things to take any Treasury direction for including specific items in the Appropriation Account?—In the ordinary course, I should say no.

852. (To Mr. *Chalmers*.) In your opinion was it necessary to ask for special Treasury direction to include this in the Appropriation Account?—I think if I had been the Accounting Officer I should undoubtedly have done as Mr. *Marzials* has done. He would have been in the position otherwise of having an account and taking credit for payments for which he had no vouchers at all. No doubt a reference to the Treasury would then have been made by the Audit Office; but the Accountant General for the Army took the step on his own account, and, I think, properly.

853. He made a special application to the Treasury to include it in the Appropriation Account?—He explained the circumstances and the Treasury said they were satisfied that the charge might be included in the account. Of course it rests with the Comptroller and Auditor General to say how far he is satisfied in reporting to this House whether the charge should so remain; but the Treasury said they were satisfied that the amount might be included in the Appropriation Account.

854. But this is what I want to get at, whether an amount is to be included in the Appropriation Account or not is one question; but whether, when it is included, the Comptroller and Auditor General is satisfied that the vouchers are adequate to justify that amount is another question?—That is so.

H 2

855. Why

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Accounts and Vouchers Lost in the Wreck of the s.s. "Mexican"—*continued*.Mr. Gibson Bowles—*continued*.

855. Why was it requisite to ask for Treasury sanction to include it in the Appropriation Account; would it not naturally, without that sanction, have been included therein?—I am sorry that I did not perhaps make it plain in my former answer that it is a matter of usage and custom that reference should be made to the Central Financial Department under exceptional circumstances. That, of course, in no way commits the Comptroller and Auditor General as regards audit, nor does the Treasury for a moment suggest that it should. But the Treasury does assume the responsibility of saying that the amount should be charged in the circumstances represented to the account which is presented to the Comptroller and Auditor General.

856. But suppose the Treasury had held that it was not proper to include it in this Appropriation Account, would it have come into the next one?—It is a violent hypothesis for me to contemplate; but the accounting officer would have been in a very awkward position if he had included a penny in his Appropriation Account which, on reference to the Treasury, he had been told not to include in his Appropriation Account.

857. It must have come into some account, I presume?—I beg the honourable Member's pardon, but if the expenditure did not come into a public account at all, the only account it would come into would be the private account accounting officer's. (Mr. Marzials.) That is a very violent hypothesis.

858. (To Mr. Chalmers.) Then was this the question the Treasury had to consider whether the public should pay it or the accounting officer?—That is ultimately the position. The accounting officer at the War Office has sub-accountants to himself, and they are cleared as he is cleared by the charge in the account.

859. (To Mr. Richmond.) There is one other point I wish to ask a question upon. You say in your report that you are not in a position to fulfill the statutory requirements of audit with regard to these considerable items?—That is so.

860. Therefore you have brought it to the attention of the Committee and leave it to the responsibility of the Committee to say whether they shall recommend Parliament to accept insufficient vouchers?—I think that is distinctly a matter for Parliament.

861. But I think we may ask, and I think the Chairman did ask, your opinion as to whether we might safely recommend Parliament to accept the certificates, under the circumstances, as adequate in this case?—I think you might in the circumstances.

862. (To Mr. Chalmers.) Is that your view also?—That was our view in assenting to these charges being included.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Accounts and Vouchers Lost in the Wreck of the s.s. "Mexican"—*continued*.

Mr. Blake.

863. (To Mr. Marzials.) I would like to know whether it is deemed to be essential or a mere matter of precaution in every case in which from some unexpected circumstances vouchers are not produced to obtain the authority of the Treasury to include the amount in the Appropriation Account?—I should regard it as essential, certainly, that where there was a charge in the Appropriation Account which, from special circumstances, was inadequately vouched or not vouched at all, the Treasury should consent to the inclusion of that amount in the account.

864. The result of that is equally clearly understood not to be in any degree to diminish the responsibility of the Comptroller and Auditor General in determining whether adequate vouchers are produced before him?—That of course is rather a question for the Comptroller and Auditor General, but I should imagine that is so, certainly.

865. It seemed that a good deal was being made of the circumstance that the Treasury had directed it, and what the Public Accounts Committee is very much concerned to do is to make it quite clear that none of these proceedings (however laudable they may be) in the slightest degree affect the responsibility of the public officer upon whom this duty of audit is cast?—I certainly understand so.

Mr. Austen Chamberlain.

866. (To Mr. Richmond.) I do not understand you to suggest that the action of the Treasury relieved you of any duty otherwise incumbent upon you or in any way prejudiced you in your decision in regard to passing these charges?—In no degree.

Mr. Goddard.

867. In the latter part of the paragraph I observe it is said "In the circumstances it seems to be a matter for the consideration of Parliament whether the certificates, &c. produced may not be accepted as adequately supporting the charges"; does that paragraph mean that the consideration of Parliament will be sufficiently given through the Report of this Committee, or that it ought to be by some special resolution or Bill?—I meant no more than this: that it was not for me to decide the point, because I have the Act of Parliament which is imperative upon me; that I must simply leave it to this Committee and the wisdom of Parliament to deal with the case as may be thought proper.

868. You cite it as an illegality?—The requirement of the Act of Parliament became impossible to fulfil.

869. That must be condoned in some way or other. Would it be sufficient if it appears simply in the report of this Committee; do you regard that as sufficiently bringing it under the consideration of Parliament?—I can do no more than bring it before this Committee, which I take to be for that purpose, Parliament.

870. May

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Accounts and Vouchers Lost in the Wreck of the s.s. Mexican—*continued*.Mr. Goddard—*continued*.

870. May I put it in this way: are any other steps being taken to bring it under the consideration of Parliament?—(Mr. Marzials). None on the part of the War Office. (Mr. Richmond). Nor on my part.

Mr. Gibson Bowles.

871. You do not apprehend it would be necessary for Parliament to pass an Act of Indemnity to you for not having performed your statutory duties?—I do not.

ACCOUNTS LOST OR MISLAID.

Chairman.

872. (To Mr. Marzials). Has anything been heard of these lost or mislaid pay lists referred to in paragraph 5?—No. I have enquired within the last day or two, but the accounts have not been found. I may say that since these accounts were under examination the whole bulk of the War Office accounts which was, of course, very great during this year, was transferred from Winchester House, St. James'-square, to Cleveland House, and these documents were lost in the process of moving and have not been found yet; though no doubt they will turn up in time.

873. But there is no doubt they were properly examined before they were lost?—There is no question of that whatever.

INDIAN CHARGES.

HOME EFFECTIVE.

Chairman.

874. (To Mr. Marzials). With regard to paragraph 6, the great falling off in the amount here is owing to the men being retained with the colours in consequence of the war; so few men were dismissed from the colours that the charge for deferred pay was so much less, is that so?—That is so.

875. Directly the war is over there will be a very considerable increase upon the 64,000*l.* mentioned here?—No doubt there will be a greatly increased charge in respect of soldiers sent to the Reserve or discharged, and a considerable proportion of that charge will fall upon Indian Revenues because the Indian Government pay their proportion of the deferred pay in respect of the period the soldier has been serving in India.

Mr. Cohen.

876. Could you explain the last part of this paragraph where it is said, "The present is the first year in which the charge of one-third of the War Office expenditure in respect of gratuities on death, discharge, &c., amounting in 1899-1900 to 1,273*l.*, has been included in the claim against India." What were the exceptional circumstances that caused that to take

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Indian Charges.—Home Effective—*continued*.Mr. Cohen—*continued*.

place for the first time in this year?—The grant of these gratuities is a new thing. Deferred pay was abolished in that year or the year before, and instead of deferred pay soldiers get a reduced gratuity of 1*l.* a year on discharge. There was a discussion between ourselves and the Treasury and the India Office as to the form in which the proportion of that charge due to Indian Service ought to fall upon Indian Funds; and after considerable discussion we came to the conclusion that instead of making an accurate rule of three sum in every case so as to show exactly what was the particular proportion of each man's 1*l.* due to Indian Service; we should take the Indian Establishment as one-third of the whole Establishment and one-third of the charge should fall upon the Indian Revenues.

877. That arrangement is intended to be permanent, I presume?—Yes.

878. Therefore it will automatically operate in future years as it has done in this year for the first time?—Yes.

Mr. Gibson Bowles.

879. Was that arrangement which you have mentioned agreed to by the Indian Government?—Yes.

VOTE A.

NUMBER OF REGULAR ARMY SANCTIONED.

Mr. Gibson Bowles.

880. (To Mr. Richmond.) Am I right in understanding from paragraph 8 that in the months of January and February the number of men on the establishment was in excess of the total number authorised by Parliament?—On referring to page 210, I think the honourable Member will find it clearly set out. He will see at the bottom of that page, in the third column, that the number of effectives in excess of the establishment in January and February was 23,000 odd and 52,000 respectively.

881. Do I rightly gather from that that in January there were 23,000 men more than Parliament had authorised, and in February 52,000 more?—Yes, that is so. No doubt my friends at the War Office are more familiar with these matters than I am. I merely state this from the returns as I get them.

882. (To Mr. Marzials.) Have you any explanation to offer of the fact which has just been stated, that in the month of January 1900 there were 23,000 men more on the establishment than Parliament had authorised, and in the month of February 1900 52,000 men more than Parliament had authorised?—There is always liable to be fluctuation during certain periods of the year, because men in the latter part of the year come home from India and they are shown on the returns pending their discharge. Although they are on our Home returns, they are practically part of the Indian establishment at the same time, and consequently they

show

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote A.—Number of Regular Army Sanctioned
—continued.

Mr. Gibson Bowles—continued.

show as an excess upon our Home establishment temporarily, for that time pending their discharge. Practically we have to take the average of our establishment over the year, and at one time of the year we are below and another above. We send men to India at certain times and we get men home from India in the latter part of the year. I do not mean that our permanent establishment is in excess

883. I understand that, but do you hold that you have authority from Parliament at any time to have on your establishment more men than Parliament has authorised?—I think we must have occasionally a temporary excess at certain periods of the year when we have simply got men home pending their discharge.

Mr. Blake.

884. But that explanation does not adequately deal with the case as shown at page 210. There were excesses, as Mr. Bowles has mentioned, in January and February of 23,000 and 52,000 men on the Home establishment, but the diminution on the Indian establishment for the same months was 6,500 and 7,900; that is to say, only fractional diminutions as compared with those large excesses. Then the general result as regards Home and Colonial and Indian establishments combined is shown in the last column under (C.), showing that there was a net excess of 17,000 in January and 44,000 in February?—That is perfectly true. My explanation is a partial one, but only partial, as has been explained by the honourable Member. The explanation is that at that time we were comparing peace establishment as against what is practically war establishment; and that in February an additional 120,000 men were sanctioned by Parliament, and consequently this number ought to be increased by 120,000, so that so far from there being an excess we were really under the establishment that was voted at that particular time.

Mr. Gibson Bowles.

885. But that does not apply to January?—The figures of January, I am afraid, must be regarded as an anticipation of the subsequent addition.

886. But this question, as you will see, is a little serious; does the War Office claim the power to have men on its establishment beyond the total number authorised by Parliament?—No; it does not claim power to have men on its establishment beyond the total number authorised by Parliament, except with regard to the particular case of the men home from India in the latter part of the year, which I have mentioned, and which I admit in this case only applies in a very partial way.

887. But if you take the whole together the net result was that in January you had 17,078 more men than Parliament had authorised you to have; am I right in saying that?—I agree that there is what appears to be a formal excess

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote A.—Number of Regular Army Sanctioned
—continued.

Mr. Gibson Bowles—continued.

at that time beyond what was sanctioned by Parliament.

888. May I suggest this as possible; that you foresaw what was coming, and you deemed it necessary to have more men than Parliament had authorised, and you took the risk of doing so?—That was so.

Chairman.

889. You know every year there are variations, sometimes in excess and sometimes in diminution of the number voted, according as recruiting is brisk, or is not?—That is so without question.

Mr. Cohen.

890. If you reckon up the last line, if you have a number on the establishment in excess of what Parliament has voted it would be only because subsequently there would be a reduction which would bring it within the estimate; you do not contemplate permanently having on the establishment more men than Parliament has voted?—Certainly not.

891. Therefore if you have an excess at one period it must be taken to be because you anticipate subsequently its being reduced?—That is so without question.

Sir Robert Mowbray.

892. But this was a wholly exceptional time in the month after Magersfontein, Colenso, and Stormberg?—Absolutely so.

VOTE 1.

SPECIAL RATES OF PAY AND ALLOWANCES.

Chairman.

893. (To Mr. Marzials). May I ask, as regards paragraph 10, what was the reason for these great variations which took place in the rates of pay. It is said here that "issues of pay and allowances at rates not laid down by the Royal Warrant or by the Allowance Regulations have been made in respect of services in connection with the war in South Africa"?—I think in any great expedition circumstances varying in character arise, and different liabilities and different conditions of service have to be met, and those cannot all be foreseen by the Royal Warrant before the War; and as they arise they are met as best we can. To exceptional circumstances we apply exceptional rates of pay, and we get the Treasury to agree to what we have done.

894. In a case of that sort you always go to the Treasury?—Yes, we always consider that where any rate of emolument lies outside the Warrant the Treasury must be consulted, and their consent must be obtained beforehand, if possible, but, if not, by subsequent concurrence.

895. (To

24 April 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1—continued.

EXPENDITURE OF A SPECIAL NATURE.

Mr. Goddard.

895. (To Mr. Richmond.) I want to ask a question with regard to this sum of 10,000*l.* referred to in Paragraph 11 in respect of services, partly of a confidential character, in connection with the military operations in South Africa. I notice in the Comptroller and Auditor General's Report he says "For the greater part of this expenditure vouchers have been produced which enable me to pass the charges in the usual way; for the rest I accept the certificates of the Secretary of State which have been given in the same form as that under which I pass payments for Secret Service under Class II, Vote 26." I want, first of all, to ask whether you can state how much of that 10,000*l.* falls under the second category?—The exact figure (which I had not before me at the time I prepared this paragraph) referred to as unvouched, except so far as covered by the Secretary of State's certificate, was 4,117*l.* 19*s.* 8*d.*, somewhat less than half of the whole; as regards the rest there would be no difficulty.

896. That is the amount that is unvouched?—Yes.

897. For which you have accepted the certificates of the Secretary of State?—Yes.

898. I want to ask a further question as regards that. As I understand the Act governing the duty of the Comptroller and Auditor General, it requires that "in conducting the examination of the vouchers relating to the appropriation of the Grants for the several Services enumerated in Schedule B." (which includes the Army Services) "the Comptroller and Auditor General" is to satisfy himself that "the accounts bear evidence that the vouchers have been completely checked, examined, and certified as correct in every respect and that they have been allowed and passed by the proper departmental officers." I should like to know upon what authority does the Comptroller and Auditor General depart from the rule laid down by the Act of Parliament and satisfy himself with a mere certificate of the Secretary of State?—This money has passed under a certificate of, I should hardly like to say "the proper departmental officer," but the head of the War Office. I have it under his hand that this money has been so expended.

899. But there is no voucher, it is simply a statement from the Secretary of State that such money has been expended?—Yes.

Mr. Blake.

900. Putting the exceptional circumstances in this case aside altogether for a moment, dealing with all this expenditure generally, which in the different Departments is under the control of one or other of the Secretaries of State, would you accept, in lieu of the proper vouchers and other evidence which the Act of Parliament requires, a certificate from what you call the supreme authority dispensing with any

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—continued.

Mr. Blake—continued.

vouchers in other cases?—No, but under the heading of "Secret Service" this matter has been frequently considered by previous Committees of the House, and it is with the implied authority of the House of Commons that the Comptroller and Auditor General accepts the certificate of the Secretary of State for expenditure under Secret Service. The question occurred to my mind whether this was, strictly speaking, a Secret Service in the ordinary sense, and it appeared to me it was not; but that it was rather military expenditure of a peculiar kind and that it would be more correct that it should appear as military expenditure than as Secret Service money under a Civil Vote. But I thought the House of Commons ought to know clearly that I had passed this charge of 4,000*l.* odd on the same sort of certificate as that on which I should pass Secret Service money in the Civil Vote. It being, as it seemed to me, a necessary part of the campaign that money should be expended for the purpose of obtaining information in a way that could not be completely vouched, I thought my best course would be not to object to this charge as an Army charge but to take care to tell the House of Commons what I had done.

901. But then the Secret Service Vote, of course, is a matter that is well understood; it is a Vote that is voted as Secret Service; and the House of Commons has settled, under Reports from the Committee, what is the authority upon which the Secret Service money should be vouched. From the essence of the case, it is to be without the materials, as regards vouchers and so on, which you would require in other cases; but are you not practically extending to the case of money which is not voted as Secret Service money the same inadequate method of accounting which, from the nature of the case, has been allowed in the case of Secret Service money?—It is true that I am accepting the same form of authority as that which I accept as regards Secret Service money; but, in the circumstances here, I thought I could not take objection to this charge being placed upon the Army Votes, and, in fact, that there would be some advantage in its appearing here rather than in the Civil Votes.

902. Would it not be right under those circumstances, if it were contemplated in time of war, such contingencies recurring, that in some way or another Parliament should allocate a specific sum to Secret Service for a war, instead of allowing absolute latitude and allowing expenditure upon an ordinary Vote to be vouched for in this way, by certificate merely?—No doubt, if Parliament had specifically voted it for the purpose of obtaining information in a state of war, I should have taken care to see that this charge was allocated to that vote; but there was no specific Vote of that sort here, and I had to deal with it as best I could, and I thought this was the best way to deal with it.

903. With

24 April 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—
continued.

Mr. Gibson Bowles.

903. With regard to Secret Service money, properly so called, what is your authority for receiving the certificate of the Secretary of State as an adequate voucher for the expenditure of that money?—It was settled long before my time that the Secret Service money should be vouched in that way, and that I should accept the certificate of the Secretary of State.

904. It is practically announced to Parliament in the Vote itself, and Parliament votes it on that express condition?—So far as I understand, it is so.

905. Is there any such condition, express or implied, with regard to this Vote?—No.

906. Then where do you get authority to do for this Vote what you are authorised to do for the Secret Service Vote but not for this?—One had to face here something that had not been contemplated.

907. When you say had it not been contemplated, are you aware that the Secret Service money has very largely increased for the purpose of this South African business?—I am not aware of that. (Mr. *Marzials.*) Not in that year.

908. Perhaps it was later. (To Mr. *Chalmers.*) Can you tell us what the Secret Service money is now?—It was 30,000*l.* in the year under review, I believe.

909. But it was 10,000*l.* a year or two ago, was it not?—Very many years ago; before 1837, I think.

910. (To Mr. *Richmond.*) Had you any reason to believe that the Secret Service money was not adequate to its purpose in this particular year, or that for any other reason you were authorised to apply to this money, which is not Secret Service money, the special rules applicable to the Secret Service money?—I was not aware that the money voted as Secret Service money contemplated the obtaining of special military information in a campaign; I should have thought that was rather outside the purview of Secret Service.

Mr. Cohen.

911. Did I understand you to say that it was at your instance that this expenditure was excluded from the Secret Service money?—It was not at my instance.

912. It was done by the War Office?—It was done by the War Office, I think.

Mr. Goddard.

913. The real fact is, is it not, that by dealing with this account in this way, and passing it without proper vouchers, you have made this amount an addition to the Secret Service money?—Yes, if it is to be called Secret Service money.

Sir Robert Mowbray.

914. (To Mr. *Marzials.*) Is there any Secret Service money voted for the Army Estimates?—No.

Mr. Herbert Lewis.

915. (To Mr. *Richmond.*) May I ask whether in the year in which this 4,000*l.* was treated as

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—
continued.

Mr. Herbert Lewis—continued.

Secret Service money the whole of the Secret Service money voted by Parliament was not expended?—I am not able to say whether the whole of it was expended or not.

Mr. Austen Chamberlain.

916. It was expended within 93*l.*, apparently?—I have not the figure before me at the moment.

Mr. Gibson Bowles.

917. Am I not right in saying that the Secret Service money for the year under review was 30,000*l.*; I have the Accounts here which I will hand to you (*handing same to Witness*)?—In the year under consideration it was 30,000*l.*

918. In the next year it was increased to 65,000*l.*, was it not?—Yes, I see it was.

919. And for 1901-2 it is 65,000*l.*?—Yes.

Mr. Herbert Lewis.

920. You are aware that in the year 1882 (when 10,000*l.* was granted for Secret Service) the Committee considered this question and made this Report: "Your Committee agree with the Comptroller and Auditor General that the two payments of 50*l.* and 11*l.* described in the Natal Account as being for 'Secret Service,' and of which, in the public interest no particulars could be given, are not properly chargeable against Vote 1., Sub-Head B., Contingencies of Staff; payments for service of so confidential a nature should be charged to Secret Service. This is in accordance with the opinion of the Public Accounts Committee of 1879, and of the Treasury in their Report of the 27th of October 1879 with reference to a somewhat similar case in the Admiralty"?—I am not aware that that was with regard to obtaining military intelligence. I looked upon this expenditure as being simply for obtaining special military intelligence.

Mr. Blake.

921. But in principle is not the rule the same; in principle is not the rule this, that the interests of the State require, whether for military or other purposes, a certain limited sum to be permitted to be expended under certain specific conditions without the ordinary vouchers. The purpose for which you want it would be defeated if the vouchers had to be produced; therefore Parliament has given a limited sum very jealously from time to time, under discussion, to be so expended; and the practical result of what has been done here is to increase that sum by 4,000*l.*, without the authority of Parliament, this year?—Yes, I do not mean to say that that is not so. I thought Parliament ought certainly to know the fact, and therefore I reported it in this way. I have not left this payment hidden in this large Vote 1; on the contrary, I have made a point of stating the facts in order that Parliament may form a judgment upon them.

922. Is

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MR. CHALMERS, C.B., MR. RICHMOND, and MR. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—
*continued.**Mr. Gibson Bowles.*

922. Is it 4,000*l.* or 6,000*l.* that you accept the certificates of the Secretary of State for?—*£*4,117 19*s.* 8*d.* is the sum in respect of which I have no vouchers, and which is covered by the Secretary of State's certificate.

Mr. Blake.

923. Would you say what would have been the result if, not having the vouchers, you had declined to pass this amount?—The form it would take would be that I should report it for disallowance.

924. With the practical result that a special Vote would have to be obtained for it?—It would come before Parliament.

925. And a special Vote would have to be obtained. Do you not think that in the case of such an exceptional expenditure it would be better that a special Vote should be obtained for what was required than that it should be included in the account under your authority without vouchers?—I considered the matter carefully and I arrived at the conclusion here shown, that if I stated the facts plainly for the information of Parliament that would be sufficient.

Mr. Herbert Lewis.

926. Have you had any similar case before you in recent years of this nature?—I have not since I have been connected with the Audit Department.

927. You know of no precedent whatever beyond the one I have just read to you?—No.

928. The Committee then gave a very specific direction that the amount they voted for Secret Service was only 10,000*l.*, and that any future payments of this kind should be treated as payments made on account of the Secret Service?—I can only repeat that I looked upon this as a special intelligence service rather than the ordinary type of Secret Service.

COST OF THE IMPERIAL YEOMANRY.

Chairman.

929. (To Mr. Marzials.) I suppose you regarded this force, the Imperial Yeomanry, as a very expensive force, did you not?—I do not know that we did. On its commencement it only received the same rates of pay as the ordinary cavalry. As regards the initial expense on account of clothing and equipment, the expenditure was perhaps high, but it must be remembered that at that time the Government had not the equipment, or the clothing, or the saddlery in hand, and therefore the Imperial Yeomanry were really purchasing in the open market. It was no more expensive than any force must be which is improvised suddenly and for a sudden purpose.

930. The sums subscribed were very soon expended, were they not, by the rate at which the men were living in London?—We have had no account at the War Office of the expenditure of 0.14.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Cost of the Imperial Yeomanry—
*continued.**Chairman—continued.*

the subscriptions; that expenditure was supposed to be expenditure of a semi-private nature and has not come before us. The central body in London have not furnished us with an account of their expenditure, but Colonel Lucas told me he was quite prepared to do so, and had every intention of doing so, although the account has not yet been received. We handed over to them so much capitation for each man, and that amount they have expended; but the account of that expenditure has not yet come to us, though it will come, no doubt.

931. You are expecting it?—Yes, Colonel Lucas told me they were preparing the account, and had every desire to give full information.

GRATUITIES FOR TROOPS FOR ACTIVE SERVICE.

Mr. Goddard.

932. (To Mr. Marzials.) In paragraph 13 there is a payment referred to of 5,605*l.* as gratuities for the Soudan Campaign, 1898; can you explain why this payment is made so late—this payment has reference to the Campaign in 1898?—I think the explanation is that the claim only came to us from India in the subsequent year. The men were not under our own hand, but the claims came to us from India and the India Office did not prefer them till some little time afterwards.

933. Why was not some provision made in the Estimates for these gratuities?—I suppose we thought we had paid all that there was to pay, and the claim coming to us in a belated way from the India Office, we had not anticipated there were any further claims upon us.

934. Is it not very unusual for these gratuities to be overdue so long as this and for there to be no knowledge of it at the War Office, and no amount taken in the Estimates?—Where the troops are our own troops we should probably know of it and provide for it, but where the troops are lent to us by India the claims always take time to filter through and they do not always come to us in due time.

935. This paragraph does not say it was anything to do with Indian troops?—They were Indian troops employed.

936. Not exclusively, were they?—This gratuity is for the Indian troops.

Mr. Austen Chamberlain.

937. This is an Account for the year 1899-1900?—Yes.

938. It therefore would include any payments made on or after the 1st April 1899?—Yes, that is so.

939. And this payment is in respect of a Campaign taking place in 1898?—Yes.

940. It is not necessarily, therefore, a very much deferred payment?—It is a deferred payment, but it is not as if it was only being paid now.

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941. The

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Gratuities for Troops for Active Service—*continued*.*Mr. Goddard.*

941. The campaign was over at the beginning of 1898?—That was so.

APPROPRIATIONS IN AID.

CONTRIBUTIONS FROM COLONIES FOR BRITISH TROOPS.

Chairman.

942. Paragraph 14 shows that the contributions from the Colonies, which are based upon their revenues, have in each case increased; they pay a rate per cent. according to their respective revenues, do they not?—That is so.

VOTE 5.

GRATUITIES TO VOLUNTEERS INJURED IN A RAILWAY ACCIDENT.

Chairman.

943. Paragraph 16 refers to a curious case in which compensation to the amount of 655*l.* was paid by the War Office to 110 men of the 15th Middlesex Rifle Volunteers for an injury received in a railway accident, for which the London and South Western Railway Company had already paid 10,000*l.* This appears to have been mainly because the 627th Article of the Volunteer Regulations of the War Office had not been modified, as had been suggested by this Committee six years before. This Committee recommended in 1894 that that paragraph of the Volunteer Regulations should be modified so that the Secretary of State could judge whether volunteers were entitled to any compensation at all if they were paid from sources other than the State, such as a railway company?—Quite so.

944. That Regulation not having been altered, the Law Officers of the Crown gave it as their opinion that the volunteers in this case were entitled to receive compensation from both sides, from the railway company as well as the War Office; and consequently the War Office had to pay the sum of 655*l.*?—I am afraid that was so, no doubt.

945. Was not it a great oversight on the part of the War Office to leave the Regulation unaltered for six years?—I am afraid I must admit there were certain laches on the part of the Department in not altering the Regulation. I may say there has been a very great difference of opinion as to whether volunteers ought not to be entitled to compensation from either side. The War Office compensation is not compensation for injury so much as compensation for the amount of time the man is kept out of work. Still, no doubt that element might enter into the compensation given by the railway company, and to some extent double compensation might be given; in my view there was laches on the part of the War Office in not altering the Regulation.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 5.—Gratuities to Volunteers Injured in a Railway Accident—*continued*.*Chairman—continued.*

946. It has been since altered, has it not?—Yes.

947. They got a very handsome compensation from the South Western Railway Company?—Yes.

Mr. Cohen.

948. Who got that compensation from the South Western, the War Office or the men?—The men.

949. How was that money awarded by the railway company appropriated, was it appropriated to each individual, and if so, what decided the amount he received, or was it paid as a lump sum of 10,000*l.*?—The railway company's compensation was individual compensation given to the men. The railway company did not compensate the corps as a corps, but the individual sufferer.

950. Then further there was an amount decided to be payable by the War Office which amounted to 655*l.*?—Yes; that was individually given as well.

Mr. Gibson Bowles.

951. Was it in respect of precisely the same injury that the War Office awarded these men 655*l.*?—Yes, in regard to the same accident, and presumably the same injury.

952. So that, while the South Western Railway Company valued the men's injury at 10,000*l.* the War Office only valued it at 655*l.*?—That was so, apparently, no doubt.

953. Does that represent the relative estimate of the value of the men made by the War Office and by the South Western Railway Company?—The regulation of the War Office is to give 3*s.* 6*d.* a day for the period during which the man is not capable of following his work; but, as to the value of the injured volunteer, we did not put that into money.

Mr. Goddard.

954. In Vote 5 there is an item which is not referred to in the Report under "Miscellaneous Charges"—"Compensation in connection with accident at Dawlish Rifle Range, 1,750*l.*" The correspondence in regard to that occurs at page 165 and the succeeding page. That was an amount paid to a Mr. Gripper, who suffered some injury during the firing of the First Volunteer Battalion, Devonshire Regiment. From the correspondence it appears that there was a similar accident at the same range in the year 1892, and I understand nothing was done after that accident to prevent a recurrence of the accident?—It was held at the time that the range was a safe range, assuming the proper look-out steps were taken whenever firing was going on. Those steps were not taken when this accident happened. But since then the liability, I think, to the non-fulfilment of all the necessary conditions being apparent, the range has been closed, but it was not closed in 1892, for the reason that it was considered at the time that the

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[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 5.—Gratuities to Volunteers Injured in a Railway Accident—*continued.*Mr. Goddard—*continued.*

the range was not an unsafe range if they took proper care with flags and other appliances when firing was going on.

955. In other words, if certain precautions were taken it was all right, but there was no step taken to see that the proper precautions were taken?—Steps were taken to see that proper precautions were taken, but they were not taken on the particular occasion when this accident occurred.

956. The accident occurred on account of the precautions not being taken?—Yes.

957. The only inference is that they were habitually not taken?—I do not know that that is necessarily the inference. There might have been earlier accidents if the precautions had been habitually neglected.

958. Who is the officer responsible for continuing a range of this kind after an accident of that kind had occurred?—It has since been closed.

Mr. Austen Chamberlain.

959. In letter of the 18th May 1900, signed by you, which appears on page 166, it is said that "any neglect there may have been lay at the door of the adjutant, the paid army officer imparting instruction"?—That was so.

960. Does that mean it was not that the range was unsafe, but that the officer in charge, this adjutant, did not take the proper precautions which he had been instructed to take?—That was so, without question.

Mr. Goddard.

961. Was it not found when this range was closed in 1899 by the General Officer commanding the district, that the danger area was not properly defined?—My recollection of the case was that the conclusion he came to was that a liability to the non-fulfilment of all proper conditions to prevent an accident was likely to occur, and therefore it was an undesirable range to keep open.

Chairman.

962. But it is clear from your letter of the 23rd February that the range was regarded as safe if they had good look-out men when boats were near. The adjutant evidently allowed firing on this occasion without having kept look-out men, and therefore Lord Lansdowne held that the Army Votes must bear the charge?—Yes.

Mr. Gibson Bowles.

963. Why do you say in your letter that because the matter has been treated as a matter of discipline, the officer whose fault it was that the accident occurred "should obviously not be held pecuniarily liable"?—The military authorities claim, and I think the claim has been allowed, that they can deal with an officer's misfeasance as a matter of discipline, or as a matter of money; sometimes it is a matter of both. That matter of discipline may include a pecuniary repayment, or they may consider that justice is satisfied by a

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ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 5.—Gratuities to Volunteers Injured in a Railway Accident—*continued.*Mr. Gibson Bowles—*continued.*

reduction of rank or some severe reproof or stoppage of promotion. But where punishment of one kind has been given punishment of the other kind would not necessarily follow, or it might even go beyond.

964. But you say in the letter he would obviously not be held pecuniarily liable?—I admit the term is not quite well chosen; "obviously" is a little too strong.

Mr. Goddard.

965. The effect of this is that in consequence of neglect of duty of this officer the cost of this accident falls upon the public funds?—That is so.

VOTE 6.

EMPLOYMENT OF TROOPS IN AID OF THE CIVIL POWER.

Chairman.

966. (To Mr. Marzials.) May I ask whether the War Office consider that the decision of the Court of Appeal referred to in paragraph 6 settles now the question that when troops are called out in aid of the Civil Power they cannot be charged upon the county funds, but must be paid out of the Army Funds?—The legal effect of that decision was a very curious one, for it said that the charge was not liable to be borne by the county, but it did not say by whom it was liable to be borne, and the consequence is that we are rather in the air at present.

Mr. Gibson Bowles.

967. Is the Hundred perhaps not liable?—That I do not know. Our position at present is that we do not know who is legally liable.

Chairman.

968. But the Court of Appeal as well as the Divisional Court have given it against assessing it on the county?—That is so. Legislation has been suggested, but none has yet been carried out.

Mr. Herbert Lewis.

969. With regard to Item C., "Sea Transport," could you tell the Committee whether the War Office are satisfied that no unnecessary expenditure was incurred in fitting out the transports for the conveyance of horses to South Africa; I am alluding more particularly to the cases in which the fittings of the steamers, which were intended for the conveyance of horses and cattle, were actually taken out because they did not comply with the Admiralty Regulations, and fresh fittings at very considerable expense (but, apparently, very slight in character, because they gave way very soon) were put into those vessels; are you satisfied that there was no unnecessary expense incurred upon that account?—I am afraid I must plead ignorance. I do not know the particular case to which the honourable Member refers. I can inquire into the matter, but I have no knowledge

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of

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 6.—Employment of Troops in Aid of the Civil Power—*continued.*Mr. Herbert Lewis—*continued.*

of any excess charge having occurred on that account. There is a possibility that with the vast amount of ships and horses sent out occasionally some flaw may have occurred in the arrangements, but none has been brought before me in any way.

970. Is there anybody at the War Office who could give us information as to that?—I may say that practically all the arrangements of that kind, although we pay for them, are made by the Admiralty Transport Department.

COMPENSATION PAID TO A CONTRACTOR FOR LOSSES.

Mr. Goddard.

971. On Vote 6, Item B., can you give any further explanation with regard to this loss of 61,177*l.* to a transport contractor in South Africa, which is referred to in paragraph 19; the vouchers were lost on the "Mexican"; of course that was very unfortunate, but it is a very large sum of money. I notice the Comptroller and Auditor General observes that the sum is such a large one that it would be much more satisfactory if further information could be given; surely the contractor must be able to give some information if it is asked for?—I am not in a position to give further information at present. We have written out to South Africa for further information, and if the Committee is sitting we shall be glad to give it when the information arrives.

Mr. Gibson Bowles.

972. I observe the War Office say that "it is presumed the compensation paid was on account of the losses of wagons and oxen, and there is no reason for supposing that the payments were not in accordance with the provisions of the contract which dealt with the subject of compensation"; what grounds have they for that presumption?—We have scarcely any information; we have only the information of the summaries of the lost vouchers.

Mr. Brodie Hoare.

973. When was the "Mexican" lost?—I think it was in April 1900; she was bringing home the complete accounts of the month of February 1900.

974. I understand the vouchers for this expenditure of 61,000*l.* were on board the "Mexican" and they cannot be recovered; but surely the contractor's account must have been rendered before that; I understand that supporting vouchers were in the "Mexican" and possibly his account was in the "Mexican"; but one would have thought in the 12 months since the "Mexican" was lost inquiries could have been made and the whole thing elucidated?—I agree. The Audit query came to us sometime in December or January, I think.

975. Whereabouts was it that the contractor's losses occurred?—We have no information at

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 6.—Compensation paid to a Contractor for Losses—*continued.*Mr. Brodie Hoare—*continued.*

all—all the vouchers went down in the "Mexican."

976. Do you know who the contractor was; who paid him?—The Paymaster paid him. The charge on account of this large sum was made in the account for February 1900, which went down in the "Mexican"; it was part of the account that was lost.

977. This account was lost and all the vouchers with it in the "Mexican," we will say in April last year—a year ago.

978. This money had been paid over by the Paymaster in Africa?—Yes.

979. He no doubt was a very busy man, but have you called upon him to furnish some duplicate account, or some statement of account, which would justify your passing this 61,000*l.* Has he ever done so?—We have not received his reply.

980. When did you write?—I confess there I think there were some laches on our part. I think we ought to have written immediately when we received the Audit query, but instead of writing on receipt of the Audit query we answered the Audit query with the reply which is embodied in the Report here. When this came before me I said it was a case in which further inquiry ought to be made, and that inquiry has been made, but only quite recently.

981. I understand the Paymaster sent you home an account for this 61,000*l.* a year ago?—It was not only the 61,000*l.* but it was all the large amount, the vouchers for which were lost on the "Mexican."

982. But you were informed within a certain limited period that these accounts and vouchers had gone down in the "Mexican"; did you make inquiry then before the Comptroller and Auditor General called attention to it?—We had no information. We asked the Paymaster generally to send us a statement showing what had occurred. Our difficulty was that as regards all payments and charges of that kind he had no duplicate vouchers. He sent us home statements saying, these are what I have expended but I have no supporting vouchers, I do not keep duplicate vouchers.

Mr. Banbury.

983. Do I understand he sent you a statement?—He sent us a statement of what he had spent.

984. That was not in the "Mexican"?—No; he reproduced for our purposes afterwards a statement from his books showing what he had paid, but that statement was unsupported by supporting vouchers.

985. I think what the honourable Member wanted to know was whether you had written out to ask whether he could give you a statement of his own; that you have got, I understand?—Yes, and his reply was that he could not give us any supporting vouchers.

986...But

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[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 6.—Compensation paid to a Contractor
for Losses—*continued.**Mr. Brodie Hoare.*

986. But the Comptroller and Auditor General called attention to the fact that vouchers for 61,000*l.* on this particular head were missing?—The Comptroller and Auditor General did this: he said, among these large sums of money which have been unaccounted for, owing to the loss of the "Mexican," there is one special item for 61,000*l.* which seems to call for more notice than others inasmuch as it is a large amount of compensation, and we think you ought to get some further information about that.

987. I want to know whether it had not occurred to you before the Comptroller and Auditor General called attention to it that there

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 6.—Compensation paid to a Contractor
for Losses—*continued.**Mr. Brodie Hoare—continued.*

was this item of 61,000*l.* which required special attention?—No; we took this item as one of the items in the account.

988. If the Comptroller and Auditor General could call attention to it you could have done so and made further inquiries at once?—Yes.

989. But you did not?—No.

990. It was a month after the "Mexican" had gone down that you first began to make inquiries about this?—It was some months after.

991. Making it, of course, all the more difficult to trace it?—Yes, to that extent.

[The Witnesses withdrew.]

Wednesday, 1st May 1901.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.
Sir Thomas Esmonde.

Mr. Goddard.
Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Brodie Hoare.
Sir Robert Mowbray.
Mr. Pym.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Mr. JAMES FITZALAN HOPE (a Member of the House), Examined.

Chairman.

992. You are Member for the Brightside Division of Sheffield?—Yes.

993. You addressed a letter some time ago to each Member of the Committee saying that you had certain charges to make which we understood you would support with evidence?—May I make a statement upon that matter.

994. May I ask you first of all whether you are here to-day to substantiate those charges?—There was only one statement which I think could fairly be described as a charge, and that, according to the Statement I have now prepared, I have to say I withdraw, and express my regret for having made it.

995. Do you wish to put in that Statement?—Yes.

996. The Committee are of opinion that, by way of introducing your Statement, I ought to read the three first paragraphs of your letter of the 1st of March, and I propose to read them now?—I have a copy of it here.

997. "Private and Confidential.—House of Commons, 1st March 1901. Sir,—In response to your invitation, conveyed to me lately by Sir Charles Welby, I beg to submit for the information of your Committee some observations on the compulsory surrender of balances at the end of the financial year enforced on the several Departments of Government by the present financial system of the country:—(1.) I first became acquainted with the practice in question during the time I acted as private secretary to the Postmaster General. Together with other features in existing financial arrangements it forced attention as tending to impair alike the sense of responsibility, the initiative, and the zeal of departmental officials. No man cared to effect economies for the sake of an infinitesimal reduction in the National Debt; and no man had the inducements to follow up his work and throw himself into its progress and development which the ordinary methods of industrial enterprise under like conditions would have afforded.

Chairman—continued.

(2.) The impression thus formed was confirmed by conversation with gentlemen who had acquired special experience in the matter, and who informed me of the reckless and useless expenditure occasioned by the practice during the last weeks of the financial year with the object of avoiding a reduction in the next year's Estimate, on the ground that a lesser sum had sufficed. I can personally vouch for one instance (stated to be of regular occurrence) in which the identical goods ordered by the Admiralty in March at 2s. per unit were sold as old stores in April at less than 8d.; unhappily for the sake of further 'business' I am not allowed to give the names." You recognise that as the letter which you circulated among the Members of the Committee?—Yes.

998. Upon that you offer an explanation which you desire to read, I understand?—Yes.

999. Will you read it?—I desire to make a statement to the Committee with regard to the allegations relating to the purchase and sale of certain goods by the Admiralty in the second paragraph of the letter addressed by me to the Chairman of the War Office Reorganisation Committee, and circulated by me among the Members of this Committee. In saying that I could personally vouch for the truth of the story, I meant that I made it on the information of a gentleman who was in a position to know the facts, and whose word I would accept without question. I feel, however, that I ought not to have allowed myself to make the allegation unless I had been able to bring forward proof; and having taken further steps to clear up the matter, I find I am not in a position either to prove my case or to undertake to investigate it without disclosing or risking the disclosure of names which I am bound in honour not to reveal. Under these circumstances I wish unreservedly to withdraw the allegation, and to express my regret at having made it. I should add that in circulating

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Mr. HOPE (a Member of the House).

[Continued.]

Chairman—continued.

lating the document as I did I wished merely to lay my views on the general question before the Members of the Committee individually—not to invite them collectively to examine into a specific charge. I gave no special thought at the time to the particular sentence containing the allegation, and through imperfect knowledge of the exact functions and procedure of the Committee I failed to realise the seriousness of the step I was taking; I should be glad to hand in that Statement. (*Handing in the same.*)

Mr. Gibson Bowles.

1000. In your letter of the 1st of March which you circulated among Members of the Committee, there are really two allegations: that the present system is a bad system, and that it tends to exaggerated expenditure at the end of the financial year?—Yes.

1001. The second statement is an illustration of the first?—Yes, a pronounced illustration.

1002. Which you have got from a gentleman who was in a position to know the facts; you state that you can personally vouch for that one instance; is that so?—I did state that, but I am afraid I ought not to have stated it.

1003. But you stated in your letter that you could personally vouch for the facts?—I did say so.

1004. Is the Committee to understand now that you cannot personally vouch for the facts?—Yes.

1005. But you tell us that you made that statement upon the statement to you of a person who was in a position to know the facts?—That is so; but then of course I did not have the knowledge at first hand; and although, as I say, he was in a position to know the facts I am not in a position to cross-examine him and make the case quite clear. Of course he may have made some mistake in the facts; and although I certainly should be able to vouch for his personal honour, of course I cannot say he did not make a mistake. Therefore I unreservedly withdraw the statement that I am personally able to vouch for the facts.

1006. The statement you have made to us, as I understand, is that you could not substantiate this allegation which you made in the letter of the 1st of March without disclosing somebody's name; is not that so?—I said I could not even undertake to make any further investigation into the matter without risking a disclosure of names which I ought not to reveal.

1007. You mean the name of this person who is in a position to know the facts?—And possibly some others.

1008. I believe you also stated that you were desirous to give any further explanation to the Committee that you could afford; is that so?—I do not think I have stated that to the Committee exactly, but I am desirous to do so, certainly, so far as my duty to my informant allows.

1009. Then it is a question of what your informant would allow, is it?—Of what my duty to him would be; I do not say what he would allow, but what I feel bound to in my duty to him.

Mr. Gibson Bowles—continued.

1010. I was only repeating your expression; you said, did you not, "so far as my informant would allow"?—So far as my duty to my informant would allow. Of course, my informant might make wholly unreasonable demands; but what I meant was so far as my duty to him would allow. I quite admit that I made a mistake in mentioning this matter at all; but I am in this position, that I shall make a far greater one if I were to betray his confidence.

1011. You are quite aware that this Committee, being in possession of the allegation that there is a serious abuse habitually practised in the Public Accounts in this way, cannot quite pass it by; you understand that, do you not?—I do, but then I desire entirely to withdraw the allegation and express regret for having made it.

1012. I should rather like to see how far that withdrawal goes. Do you now tell the Committee that you do not believe this statement to be true which you then made?—I tell the Committee that, not being in a position to prove it, even to my own satisfaction, I desire unreservedly to withdraw it.

1013. Yes, but that is not quite enough, you know; do you believe it to be true?—I cannot say if it is true; I cannot say so, even in my own mind.

1014. Do you believe it is false?—I cannot say I know it to be false either.

1015. Without going back upon this particular illustration, do you believe the first general statement that you made in that letter to be true?—I believe it to be true from all the information I have picked up in one way and another, mere generalisations that the present practice of surrendering balances does lead to extravagant expenditure.

1016. Let me quote the words in your letter, and ask whether you still believe this to be true: Do you believe that there is "reckless and useless expenditure occasioned by the practice during the last few weeks of the financial year, with the object of avoiding a reduction in the next year's estimate on the ground that a lesser sum had sufficed"?—The words "reckless and useless" were my own, which, perhaps, I put down without sufficient reflection; but I do believe from what I have been generally able to pick up, without any special instances, that the present system does lead to extravagance at the end of the financial year.

1017. Would you say it leads to an unusual expenditure; we will withdraw the words "reckless and useless"; would you substitute "avoidable" for "reckless and useless"?—Yes.

1018. You think there is an avoidable expenditure?—Yes; but I am bound to say I am only an amateur in this matter. It is a thing that interested me, and which I took up, but of course I am not in the position of an expert, and I only put forward these views for what they were worth to those who would know more about them.

1019. What I want to come to is this: do you adhere to that statement that there is an avoidable expenditure in consequence of the system?—I adhere to that opinion. I could not exactly make it as a statement of my own knowledge.

1020. Have

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Mr. HOPE (a Member of the House).

[Continued.]

Mr. Gibson Bowles—continued.

1020. Have you any grounds for that opinion?—Only such as I have picked up in general conversation with various people.

1021. Have you any definite grounds?—Well, that they did so believe it.

1022. Have you any definite grounds for your belief, or is your belief only founded upon the belief of somebody else?—I should say my belief was founded on the opinions expressed to me in general conversation by a number of different people.

1023. Not upon any statements of fact?—No, not upon any concrete statements of fact.

1024. Then do you not see you put yourself in rather an awkward position towards this Committee?—I do, indeed.

1025. You are making first a general statement which it now appears is only founded upon somebody else's opinion, and not upon any statement of fact, and then you bring forward an instance which you stated you could personally vouch for, and as to which, as I understand, you do not now believe it ever occurred; am I right in that belief?—I am in this position: I think it may or may not have occurred, but for the reasons given in my statement I am not in a position to prove it to the Committee.

1026. Then I want to put this last point to you. So far as I can gather your frame of mind is this: If you were to make further enquiries you might find that this illustrative statement as to the Admiralty action might be established as true?—It is possible it might.

1027. Am I right in saying that the only reason you do not make that enquiry is that you consider that your duty to your informant precludes you from doing so?—Yes.

1028. Have you ever considered your duty to this Committee of the House of Commons?—I have, but I think I have referred to that at the end of my statement. I must say I have acted through inexperience, and I am very sorry I did so. My view in sending this letter to the Committee was not to send it to the Committee as a Committee to be dealt with and action taken upon it by the Committee as such, it was merely sending it to a number of gentlemen who were interested and concerned in these matters, and before whom I wished to lay my views upon the general question and the general thesis of the memorandum.

1029. I am not now speaking of your action in sending the letter. I understand you have considered your duty to your informant and you have also to some extent considered your duty to the Committee. Am I right in saying that your duty to your informant in your opinion overrides your duty to this Committee?—Yes, if I am put within the alternative of having to tell the Committee all that I have heard about this matter and of giving away my informant, I must preserve the name of my informant even though I have given the Committee some trouble in the matter.

Mr. Brodie Hoare.

1030. I have no desire at all to elicit from you the name of your informant, but could you without what you consider a breach of honourable confidence give the year in which this transaction is

Mr. Brodie Hoare—continued.

supposed to have occurred?—It is supposed to have occurred, as I understand, for two or three years running.

1031. Would you give one year?—The year has never been stated to me. The statement made to me was that this was a usual practice. I should say the year 1899 would certainly come under it.

1032. I ask the question because without trespassing upon your honourable obligations, it is open to the Committee to cause inquiries to be made in any given year to ascertain whether any such transaction is discoverable in the Admiralty books; that, of course, would not involve you or your informant. Do you think if an inquiry were made by the Comptroller and Auditor General in the year 1899 we should, if such a thing ever occurred, find it there probably?—I should say you would probably find it in that year, if on the information I am able to give you it would be possible to find it at all.

1033. If things were bought for 1*s.* 6*d.* or 2*s.*, or whatever be the figure mentioned, and sold for 8*d.* within a month, that would be discoverable by an acute accountant with a little trouble: do you think if the Comptroller and Auditor General were to search say, the years 1898 and 1899, if such a transaction occurred at all he would probably be able to find it there?—Yes, or you might say the year 1900.

Mr. Blake.

1034. I also disclaim any desire at all to elicit from you what you have stated you feel it impossible to give directly to the Committee, but am I to understand by your letter and by your evidence to day, in which you say the informant may have been mistaken, that the information upon which you made your statement, was not the information of an actor in the transaction at the office, but the information of some other person?—I first received the information in this way. I was interested in this general subject, and I was talking it over with a friend, and he said "Well, I can give you something very definite, which bears out your general impression thoroughly," and he told me this story. Then afterwards I asked him whether he really was quite sure, and he said, no he was not sure, but he would ask a gentleman who knew about it; and then on the strength of what he had heard from this other person, my indirect, or my ultimate informant as I may call him, he repeated the facts, or rather I will not say the facts, but I mean the statements which are put in here. But now my position is that my ultimate informant says that my immediate informant had no right to tell me. There was a misunderstanding between them.

1035. Then the person who informed you was not an actor in the transaction, but a person who said he had cognisance of the transaction?—That is so.

1036. And therefore the evidence upon which you made the statement was the evidence not of an actor but of somebody who told you; in a word it was what lawyers call hearsay evidence?—Well, it was given me as having been given by the other person for the purpose of my use at my discretion; but that, it now turns out,

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Mr. HOPE (a Member of the House).

[Continued.]

Mr. Blake—continued.

out, was wrong; he never ought to have said that to me.

1037. I wish to ask you a further question which is not less in your interest than in that of the Committee: Have you made efforts to free yourself from what you now understand to be your honourable obligation, in order to give the Committee some further information to support this statement?—Yes, I have; I have made every effort I could under the circumstances.

1038. Both from the original informant and the ultimate actor?—Yes, I have used my best efforts to get the original informant to come forward with his name.

1039. And permission has been refused to you to give any further clue of any kind?—Permission has been refused.

Mr. Goddard.

1040. As I was instrumental in first of all raising the question, on account of receiving the letter which was circulated, perhaps I might put this question to you: even if the Committee accepts your withdrawal of the charge that was made in your letter, you will fully understand that it has lodged a suspicion in their minds which they will be perfectly justified in following up to the best of their power?—Yes, I quite see that.

Sir Brampton Gurdon.

1041. I should like to ask whether you have any objection (of course I do not press you) to tell us the nature of the goods referred to in your letter?—I am afraid I have. I am afraid that by narrowing the circle in that way I should let out what I ought not to let out.

[Mr. Hope withdrew.]

Mr. ROBERT CHALMERS, C.B., and Mr. DOUGLAS CLOSE RICHMOND, called in; and Examined.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Mr. FRANK THOMAS MARZIALS, called in; and Examined.

VOTE 7.

SUPPLY OF MEAT TO TROOPS IN SOUTH AFRICA.

Chairman.

1042. (To Mr. Marzials.) It appears from paragraph 20 of the Comptroller and Auditor General's Report that a contract was made in October 1899 for fresh meat at a price of 11d. per lb. for the troops; this contract contained arrangements for the butchers and drovers to attend the animals, and consequently there was every evidence (though I do not think it was so detailed) that the meat was to be fresh meat; since that time it has been found that three-fourths out of the three million pounds of meat was frozen meat; have you any explanation to give as to that?—The contract was a contract made for fresh meat; but fresh meat was locally understood as meaning not merely the meat of animals killed *ad hoc* and immediately, but also frozen meat. At the time the contract was made there was evidence from the station itself that the dual source of supply was understood and was intended. I do not know if I should be in order, or whether it would be better, for me to make some preliminary statement as to the circumstances of the case, or whether I should wait for questions put to me by the Committee; I will do whichever is more agreeable to the Committee.

1043. The Committee would be glad to hear any statement you have to make?—In October 1899 the war had just broken out, and it was contemplated to send considerable forces into the interior of South Africa. Their precise destination was not known; that would depend

Chairman—continued.

upon the circumstances as they arose. The officer who had to make contracts for food at the time had to see that the troops proceeding into the interior should be properly supplied with food; that was naturally the first object. There were certain difficulties at the time, and if the Committee would allow me I should like to read to you a note from Colonel Richardson, who was the officer in question. He writes: "I may add that I sent to every butcher of importance and cattle contractors at the Cape for tenders, and that of the Meat Storage Company was the lowest by far. The price of meat at the Cape was about 1s. a lb. retail, fresh or refrigerated, and all business was at a standstill. The Dutch farmers would not sell to an Englishman. The Governor would not give us powers to impress cattle, and the Attorney General said that the local impressment law only referred to forces under the orders of the Colonial Government. So what were we to do; it was a question of supply and demand." Thereupon he made this contract with the Cold Meat Storage Company for the supply of fresh meat according to the contract. I do not know whether you would like me to read the exact terms of the contract. The terms of the contract itself simply used the term "fresh meat," and no more. In the conditions to the contract, unmistakeably, it is the case as was stated by the Chairman that they implied fresh meat

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 7.—Supply of Meat to Troops in South Africa—*continued.**Chairman—continued.*

following the troops, and not frozen meat; that is, they did not say, "not frozen meat," but they implied the production of meat driven with the troops—cattle and sheep. At the time when the contract was made a discussion passed between this officer, Colonel Richardson, and the representatives of the Cold Meat Storage Company at the place; and most distinctly he not only allowed that frozen meat should be supplied, but he even expressed a preference for it. Frozen meat, accordingly, was supplied to a great extent, and some fresh meat was supplied to a further extent. That was the understanding locally of what the contract meant and what it implied. The correspondence between the Cape and the War Office itself was by telegraph. The War Office distinctly, at that time, understood that what was to be supplied was meat the produce of cattle or sheep accompanying the troops; and when in January 1900 (which was a short time after the contract had been made) it came to the knowledge of the War Office that frozen meat was being supplied, they wrote and asked the General Officer Commanding the Lines of Communication under what circumstances it was that frozen meat had been supplied; in fact, they practically asked the question which you are asking me at the present moment. I will first read the letter we wrote, and then the letter from the General Officer Commanding the Lines of Communication. This is the letter we wrote on the 11th January 1900: "I am directed by the Secretary of State for War to point out that the contract in question does not mention frozen meat, and was understood here to be a live cattle contract, the slaughtering and distribution being undertaken by the contractor; I am therefore desired to ask under what circumstances the contractor has been permitted to deliver frozen meat and in what quantity." The answer to that from the General Officer Commanding the Lines of Communication, dated "Cape Town, 1st February 1900," is as follows: "Sir, In reply to War Office letter, dated 11th January 1900, I have the honour to report that when the contract forwarded with my letter of the 1st November was entered into, it was quite understood that imported frozen meat would be supplied whenever the troops were within easy distance of the railway from Cape Town where the Cold Storage Company's Depot is situated. Clause 15 stipulated that imported meat (meaning frozen meat) might be supplied. Of course when troops move any distance from the rail-head or are stationed along the midland and eastern lines of communication, or when captured stock are available, live cattle are slaughtered and issued to them, but the troops themselves always prefer frozen meat, if obtainable, and every effort is made to supply it. The issue of frozen meat to troops in the field has the following advantages amongst others. The quality is far better than locally killed meat, especially when live cattle have

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been conveyed or driven long distances. There is no offal to foul the camps and breed flies and disease amongst the troops. Cattle guards can be dispensed with. The burning questions of grazing and watering do not arise. Drovers, herds and butchers can be dispensed with. The contractors will, no doubt, make considerable profits when frozen meat is issued, but there is virtually no competition here except for live cattle; and besides a contract solely for live cattle would be much dearer and not nearly so satisfactory as the contract under consideration which, while it binds the contractors to supply live cattle whenever required, at the same time enables them to supply frozen meat wherever railway facilities for doing so exist. Up to date it is estimated that about 3,000,000 lbs. of meat have been supplied by the contractor, about 75 per cent. of which was frozen or refrigerated." That letter, I think, explains itself. It has been explained to me further by those whom I have consulted on the subject, that whenever the troops are within access of frozen meat, frozen meat is very much better for them, that they much prefer it, and that it is for their comfort to have it.

1044. May I ask you whether the contract would have been made for 11d. per lb., by whoever it was that made the contract, if they had known it was frozen meat?—At Cape Town most distinctly the contract was made at the rate of 11d. with the full knowledge that frozen meat was to be supplied. We in London did not know that the contract included frozen meat: we were dependent upon the telegraphic messages but locally without question the contract was made at 11d. in full view of the fact that a certain amount of the meat might be frozen meat. I want to make it quite plain. This was of course, to a very great extent, a speculative contract. Supposing, as was expected, the troops instead of remaining as they did, stationary at the Modder River, had gone into the Transvaal straight away or into the Orange Free State, or the more distant parts of Cape Colony, the contract would have been an onerous contract to the contractors. Without any doubt they gained by the change of facts (for it was a change from what was expected when the contract was made). I say, they gained distinctly from the fact that these troops remained at a place where frozen meat could be supplied to them. In England it was not known that frozen meat could be supplied in that way. It was thought by the people of the Quartermaster General's branch here that the appliances for carrying frozen meat, firstly along the railway and secondly for distributing it afterwards to the troops, were so difficult to work that the stuff would not keep good until it was delivered if it was supplied in that way. But those difficulties were overcome, and were known to be overcome at the Cape, and therefore the contract was made in the way they made it there. As I say, it was a speculative contract, and the speculation

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[Continued.]

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speculation turned out to the advantage of the contractors.

Sir Robert Mowbray.

1045. The word "imported" meat in the contract was held to include frozen meat?—It was held to include frozen meat. But I may say, although it is admitted that the wording of the contract as regards the condition of it implied meat driven with the troops, yet, when it was made, it was distinctly understood both by those who made the contract on the part of the War Office and by the contractors, that frozen meat was to be supplied; and the contractors claim that, if the double supply had not been admissible, they would not have contracted at the rate of 11d., but would have contracted at a higher rate.

Mr. Goddard.

1046. If it was understood that frozen meat was included in that contract, how was it that the contractors agreed to refund 2d. per lb. when the contract was renewed in January; I understood you to say the letter you read just now was dated 11th January?—When the arrangement was discussed here afterwards, the Director of Contracts saw the representative of the firm in England, and he got them to agree to make a refund. Whether it was that they thought they had made such a particularly good bargain out of it, and that was why they accepted his suggestion, I do not know; I can only suppose that that was the conclusion. The idea that any recovery by legal process could have been obtained seems to me untenable.

1047. It is stated in the Report that the amount to be refunded amounts to some 27,000l.; was that 27,000l. recovered?—It has been under strong protest. It was recovered on the agreement of the representative of the firm here; I may say the representative of the firm out in South Africa protested; but they have paid.

1048. Is it the fact that the contractor got an advantage from the fact that the Cape Ministry suspended the collection of the Customs Duty?—No, that is a mistake, I can explain how that is, and how that mistake happened. Neither with regard to this contract nor with regard to the subsequent contracts was there any payment made to the Cape Government in respect of Customs Duties where the contract was to the benefit of the Imperial public. That is to say, these contracts were outside any payment of Customs Duty. What happened was, that in the winter time Sir Redvers Buller explained to the Cape Government that owing to the import duty on meat the Army was suffering because trek oxen were extremely dear; and he also represented that the population generally at the Cape was suffering from the extreme high war prices; and he recommended that the Customs Duty should be remitted and taken away. The Cape Government acceded to that resolution.

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ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 7.—Supply of Meat to Troops in South Africa—*continued.**Mr. Goddard—continued.*

quest; and the Customs Duties in respect of the import of cattle were done away with altogether. The only way, and it is a very indirect way, in which that might have benefited these contractors was, that as regards any purchases they made in South Africa itself of trek oxen, owing to the importation being free, there might have been a general decrease in the price of cattle; but that was the only way it would have benefited them. It was only such a general advantage as the whole population of South Africa got. The Contractors got no advantage in respect of these specific contracts at all.

1049. Would you explain what causes the difference between the 11d. per lb., which the War Office paid, and the 5½d. per lb. which the Admiralty paid under their contract?—The Admiralty made a contract in August, before the war had broken out, for the supply of frozen meat to any Navy ships calling at the Cape that might want supplies; but that is an extremely different thing from a contract made after war had broken out, to supply meat to troops in any portion of the Orange Free State, the Transvaal, or Cape Colony.

Mr. Banbury.

1050. I understand it was in January 1900 that the frozen meat was being supplied to the transports at Cape Town at 5½d. per lb.?—But it was under a contract made in the previous July.

Mr. Goddard.

1051. The Admiralty contract was simply that the meat was to be delivered at the port, and the War Office contract was that it was to be delivered at any point where the troops were?—Yes; wherever the main portions of the troops were, it was contracted that they were to be fed by this firm; to be fed, according to one construction of the contract, by trek oxen, and by sheep, which would have been relatively bad for the troops, or to be fed wherever it was possible by frozen meat sent in from the base.

Mr. Banbury.

1052. Who paid the transport from Cape Town to wherever the troops were?—The stuff would not be Government stuff until delivered, and therefore it would be for the contractors to bear the charge in respect of transport. It had to undergo extremely special package. Taking into consideration the frozen meat and the climate of South Africa, extreme care had to be taken not only in packing it in ice and sending it up in special cars, but also in regard to the way of taking it out of the cars and sending it to the troops. Without that special care it would have been uneatable.

1053. And the contractor bore that expense of transport?—Yes.

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1054. When

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[Continued.]

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Vote 7.—Supply of Meat to Troops in South Africa—*continued.*

Mr. Cohen.

1054. When the contract was to supply the meat in the field then the expense of transport was at the charge of the contractor?—Exactly.

1055. The Comptroller and Auditor General says that no reply has been received to his inquiry with regard to the adequacy of the deduction that was made; has that since been explained?—We have answered the Comptroller and Auditor General's letter. A reply has gone now to the Comptroller and Auditor General. (Mr. Richmond.) I have no further information than is contained in this Report.

Chairman.

1056. (To Mr. Marzials.) Is it your opinion that any further refund ought to be asked for from the contractors?—I do not think so, I have gone into the question carefully myself, so far as I am able to do so. I have spoken to Colonel Richardson, who made the contract, and I have spoken to the Director of Contracts and the Quartermaster General upon the subject, and I do not see that we have any ground for asking for a further refund.

Mr. Goddard.

1057. Do I understand that the War Office has been put to no other expense, beyond this 9d. per lb. for the frozen meat, in regard either to packing or transport?—No; it was for the contractors to pack and transport it to the place of delivery.

1058. Practically those charges amounted to 3½d. per lb. on the frozen meat; that is the difference between the War Office contract and the Admiralty contract?—That was so. But, of course, the 3d. per lb. for frozen meat, in the view of the contractors and in the view of the men who made the contract, was an average price—averaging the portion of the expense, which would have been higher supposing it had been entirely trek oxen meat.

Sir Brumpton Gurdon.

1059. When the contract was made was it the understanding that the meat should be delivered in any part of the Orange Free State or the Transvaal territory?—It was to be delivered to any main body of troops in the Orange Free State or the Transvaal or Cape Colony.

1060. You say "any main body"?—It was stipulated that they were not to follow out each detachment of troops; that would fall within the delivery of the troops themselves; but each larger body of troops was to be followed throughout the Orange Free State, throughout the Transvaal, or throughout Cape Colony; and of course at that moment it was an utter uncertainty as to where the troops were going.

1061. When the contract was made was it on the understanding that any frozen meat, to be brought in for the purpose of that contract, was free from duty?—In connection with this matter there was no question of duty at all.

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Mr. Austen Chamberlain.

1062. I understand you to say there was no doubt, either in the mind of the officer who made the contract or the contractor who took it, that no duty would be charged upon it at the time the contract was made?—So far as I know, certainly.

Mr. Goddard.

1063. Do the War Office really consider that, as they saved the expenses of drovers and butchers, and of having to find food for live stock, 2d. per lb. was sufficient difference between the price of live stock and frozen meat; do the War Office consider that met the case?—The contract was made in view of eventualities of a very uncertain kind. If one reviews it now one might say, probably, if you had known in October 1899 exactly what was going to happen, and how long these troops were going to remain in a position where they could obtain frozen meat, you might have had possibly a cheaper contract. But we were not at that moment free agents. The officer making this arrangement was in this position: the supply of food to these troops was imperative, and his means of obtaining food for these troops was exceedingly limited. He was practically limited at that time to this Cold Storage Company.

1064. I quite see that; but do the War Office ask for more than 2d. per lb. to be refunded; is that the conclusion of the bargain?—That was the conclusion of the bargain. That was done in conference between the Director of Contracts and the representative of the firm here in London; and as to whether he asked more to begin with and they arrived at that figure finally, I cannot say.

1065. Those are the best terms the War Office was able to make with the contractors?—Yes.

Mr. Cohen.

1066. The 27,000*l.* has been refunded, I understand?—Yes; that was deducted from subsequent bills.

Mr. Gibson Bowles.

1067. As to this refund of 2d. per lb., I understand you to say, you had no legal claim for any refund at all?—That is my opinion, certainly.

1068. Do you believe you had any moral claim for the refund of the 2d. per lb.?—We had a moral claim for as much as we could get, I imagine.

1069. But I should like rather to ask whether that is your opinion seriously; is it the opinion of the War Office that it has a moral claim to every farthing it can get out of their contractors, rightly or wrongly?—Not wrongly, most distinctly.

1070. Then do you or do you not limit it to the case where you have a moral claim, because you put it in quite a different way just now?—I think we had a moral claim upon them here; I do not think we had any legal claim, that is to say

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say, I do not think we had a claim we could have enforced in a court of law.

1071. Where did the moral claim arise since the contract was understood to be for frozen meat?—It was only a moral claim in respect of the fact that as the circumstances turned out the contractors had made an arrangement which was very particularly and exceptionally beneficial to them.

1072. That is what I want to come to. When you make a contractor do you consider that because the contractor has made a profit under the contract that gives you a claim to ask for any refund?—If we have made a contract and that contract turns out to be very abnormally beneficial to him, I think we may fairly say that we consider it has been so beneficial that he should be expected to make some refund in respect of it. If he does not consider that our claim is a strong one he can resist it.

1073. Do not you think that is calculated to have a very ill-effect upon the price you may be charged in further contracts?—That seems to be a contingency of a remote character, seeing how exceptional the circumstances are here.

1074. I think you have explained that the question of the Customs Duty had no influence upon this matter at all?—None.

1075. (To Mr. Richmond.) You have heard the explanation Mr. Marzials has given to the effect that the question of duty neither had nor could have had any influence upon the price of meat or the profit which the contractor might rightly expect to make?—Yes, I heard that. It is quite new to me.

1076. I see in the paragraph in your Report you express your opinion that the remission of the duty represented a further claim upon the contractor; do you now abandon that view?—I accept what Mr. Marzials has said. (Mr. Marzials.) Might I make one more observation in reply to the question which the honourable Member asked me as to the moral claim. In considering the moral claim we had to make, there is this also to be considered. That contract had been made no doubt out at the Cape, but it had also been made with a certain ratification here and with certain references as between the English representative of the firm and the Director of Contracts, and I think the appeal to the representative of the firm over here, rather was that in the original contract as made, our understanding had been that there would be no frozen meat in it, and to that extent I think he recognised there had been perhaps some excessive charge.

1077. Then I did not quite apprehend you; I thought the understanding was that there was to be frozen meat?—The understanding at the Cape was that there was to be frozen meat; the understanding in England was that there was to be no frozen meat.

1078. Was the contract made here or at the Cape?—It was made at the Cape, but there

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were references to the representative of the firm here, and to the Director of Contracts; that is to say, as the contract was in the making there were certain references to the Director of Contracts and to the representative of the firm here, who had interviewed the Director of Contracts upon the matter; and I take it the Director of Contracts' appeal was to the representative over here who discussed the contract here, on the understanding that frozen meat was not to be introduced, and although the contract itself at the Cape was differently understood, we had a claim on that ground.

1079. Do you make your contracts so that they are understood in one sense at the place where they are made, and in another sense here in London?—No.

1080. But did you so make this contract?—This contract was made at the Cape with a certain definite idea at the Cape—it was also made with a certain understanding here.

Chairman.

1081. But you put into the contract words as to drovers and butchers which imply live animals?—That is so.

Mr. Gibson Bowles.

1082. But the understanding of this contract at the Cape was that it was to be frozen meat?—Yes.

1083. Here the understanding was that it was not to be frozen meat?—Yes.

1084. Then is it the practice of the War Office to make a contract that is understood in one sense at the Cape, and in another sense in London?—No, it is not the practice.

1085. Then this was an unusual occurrence?—Very.

1086. But that was the case in this instance?—Yes.

1087. I want to see where there was a moral claim. I understood you to say that under the circumstances which occurred there was a facility for supplying this frozen meat which might not have occurred had the circumstances of the campaign been different?—Yes.

1088. Had the circumstances of the campaign been different, is it not possible that these contractors might have sustained a loss by the contract instead of a profit?—That is so, no doubt.

1089. Then if you say you have a moral claim upon them when they have made a considerable profit, would you admit that they would have a moral claim upon you if they had made a loss?—It is scarcely possible to give an answer to an hypothetical question of that kind, which must entirely depend upon the particular circumstances of each case.

Mr. Banbury.

1090. I was going to ask the question that Mr. Bowles has practically asked, as to how contracts were really held to be binding if the idea was

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was that if a contractor made a rather large profit he was to return something back, and if he made a loss the War Office was to return something back. But I understand now, as a matter of fact, what really took place was, that the contract was not clear; there was a misunderstanding on both sides, and both parties to the bargain having made a misunderstanding they said, "Well, we had better come to an agreement as the contract is not clear; one thought one thing and one another, and therefore we will compromise it and charge something different"—That is substantially the history of the transaction.

Mr. Blake.

1091. As there seems to be a misunderstanding about this contract, and it seems to be very confused, perhaps it would be clearer if you would read the writing that the parties signed, as you offered to do at the beginning of your evidence; will you read the clause and the conditions of the contract so that we may know what it was?—I shall be most happy to read it: "Tender for the Supply of Beef and Mutton to Troops on the March. To the General Officer Commanding. Sir,—We the undersigned hereby agree to supply and deliver at the various military camps fresh meat for the use of the troops employed on active service in the Cape Colony, Orange Free State, and Transvaal in such quantities and at such times and places as shall be demanded at the rate of 11*d.* for each pound of dead meat actually handed over by us to the military authorities, and we hereby agree to render ourselves liable for all expenses incurred by the military authorities arising from any neglect, delay, or other default on our part or that of our employes on the following conditions. Signed, J. K. S., General Manager. Dated this 27th day of October, 1899."

1092. Now will you please read the conditions of the contract?—"(1.) The supply to commence on or about the 4th November 1899, and to continue until the total quantity contracted for shall have been supplied. (2.) Meat from oxen to be supplied in fore and hind quarters, the bone being cut off four inches above the hock and knee bone respectively. Meat from sheep to be supplied in carcasses, the heads, tails, and bone at the hock and knee joints respectively being removed. (3.) Cattle and sheep to be driven with the troops in such numbers and with such brigades, bodies, detachments, &c. as shall be duly intimated to the contractors, but not more than 10 days' supply of cattle and sheep to be required to accompany any body of men unless the quantity of such extra supply for a longer period shall have been paid for by the military authorities. (4.) The contractor to provide suitable grazing agents, drovers or other necessary labour to tend and care for the cattle and sheep. (5.) The military authorities to provide mounted and other escorts as necessary. (6.) The

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contractors to provide butchers to slaughter, dress, and cut up the meat, but the military authorities agree to assist the contractors with any Army Service Corps' butchers available on the spot. (7.) The weight of any cattle or sheep supplied alive to be determined by the average dead weight of cattle or sheep of similar breed and description which have already been slaughtered. (8.) Sufficient notice to be given to the contractors by the military authorities of the number of cattle and sheep or weight of meat required, and all other information necessary to the fulfilment of this contract so far as military exigencies permit, and any failure due to any lack of such information or any unforeseen cause, provided that such unfulfilment is due to no neglect on the part of the contractors, shall absolve the contractors from any penalties under this contract. (9.) The military authorities to compensate the contractors for any meat, cattle, or sheep accompanying the troops or held on reserve, or in case of being supplied under instructions from the military authorities which may be killed or captured by the enemy. No compensation to be paid for losses in any way due to neglect or want of proper care on the part of the contractor or their employes. (10.) The cattle and sheep to be such as will provide meat of fair average quality free from disease, and all meat to be subject to such inspection as the military authorities think fit, due consideration being given to the exigencies of the time and place; and at least half the quantity of the meat supplied shall, if required by the military authorities, be beef. (11.) The military authorities to have the right to issue preserved meat whenever considered desirable. (12.) Any dispute under this contract to be referred to the General or other officer commanding, whose decision shall in all cases be final. (13.) Payment to be made to the contractors with all reasonable despatch at the end of each fortnight. (14.) The contractors for themselves and for their agents to obey all orders which may be issued for the safety of the cattle and sheep or otherwise. (15.) This contract to be for 2,000,000 lbs. of meat, colonial or imported. The contractors to be compensated for any supplies purchased by them for the purpose of this contract, but not taken over by the military authorities, at one-third of the contract price. (16.) In the event of further supplies being required by the military authorities they shall give to the contractors, before 1,500,000 lbs. of the 2,000,000 lbs. have been supplied, notice to supply the third million pounds, and should it be found that still further supplies are required for the troops the military authorities shall give the contractors notice to supply the fourth million pounds before 2,500,000 lbs. of the 3,000,000 lbs. have been supplied, and such additional quantities shall be supplied upon the same terms and conditions as the 2,000,000 lbs. (17.) The contractors shall only follow up the main bodies of troops with supplies. Small bodies of men to be supplied with

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with live stock, which they shall look after themselves."

1093. Where were those conditions prepared?—The conditions were prepared in South Africa.

1094. Was the War Office in communication by cable with those making the contract in South Africa at the time the contract was being made?—To some extent they were.

1095. Were they, or were they supposed to be, informed of the conditions at the time of the making of the contract?—They were in possession of the main conditions; I think the knowledge of the War Office did not amount to much more than quantities and price.

1096. But the quantities of what; that is the question?—Yes. As regards that, at that time the War Office were distinctly under the impression that the contract was being made for live meat following the troops.

1097. The War Office were under the impression at the time the contract was a-making that it was a contract for live meat to be slaughtered following the troops; I suppose they sanctioned the making of the contract by cable?—Yes.

1098. From the information they had received they supposed it to be a contract of the nature you have described?—Yes.

1099. When did the War Office receive the text of the contract?—The date of the contract is the 27th October 1899. In January 1900 the War Office became aware that frozen meat was being supplied under the contract.

1100. That is not the question I asked; I asked when did the War Office receive a copy of the text of the contract, so that they became aware of the full contents of the instrument?—On the 12th November 1899.

1101. So that on the 12th November they were possessed of the writing which had been executed in accordance with their cabled authority?—That is so.

1102. Did they find anything to complain of in the text when they received it?—No. They accepted the contract that was made.

1103. It was in accordance with their views?—Yes.

1104. It confirmed their opinion that it was live meat that was to follow the troops?—I do not know that it exactly confirmed that opinion, at any rate, it did not disturb it. I do not know that any confirmation was necessary.

1105. But when you got the document you retained the opinion which you had derived from the cables, that it was meat on the hoof that was the subject of the contract?—Yes.

1106. You have never changed that opinion as to the effect of the instrument; there is nothing in the instrument to make you change that opinion, is there?—No, not in the terms.

1107. Everything is confirmatory of the view that it was to be meat on the hoof?—That was so.

1108. Then the contention of the contractors is confessedly based not upon the language of

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the instrument but upon some alleged verbal understanding made between your representative at the Cape and themselves that it was something else that was the subject of the contract than that which the writing disclosed?—I do not know that we have exactly received any allegation from the contractors at all; the inquiry was made upon our own part. This copy was received at the War Office in November, and in January it came to our knowledge that frozen meat was being supplied, and we thereupon wrote and asked why.

1109. Because it was not right that it should be supplied under that contract?—Yes, because it appeared to be distinctly contrary to the terms of the contract, or the intention of the contract.

1110. And the answer you received was, that that was not the meaning which was put upon the contract by the contractors, or by themselves?—By the military authorities in South Africa.

1111. Or by the contractors?—Obviously by the contractors, but most distinctly (apart from the contractors) by the military authorities who, so far as the position of the troops rendered it possible for frozen meat to be supplied to them, preferred that frozen meat should be supplied.

1112. They found frozen meat preferable; but did they say that they called upon the contractors to supply frozen meat in lieu of other meat?—They distinctly encouraged them to supply frozen meat.

1113. Did they encourage them to supply frozen meat in lieu of other meat?—Yes.

1114. Are those the persons then who made the contract and who gave this engagement, or was it the officer in command of the troops in the field?—The person who made the contract would be the person seeing to the supplies; it would be within his province, I think, to say as to what kind of stuff should be supplied. But I think you may take it that there is absolutely no question whatever (for I have consulted the people who would be most likely to know) that as regards the desirability of the article for the person consuming it, the preference most distinctly lies with the frozen meat; that is to say that frozen meats make an infinitely better meal than the meat of an animal that has been following the troops.

1115. That is not a question with which the Committee on Public Accounts is concerned. Water may be better than whisky but it is cheaper. It is not a question of whether it is better but whether it is cheaper. The question here is the price of the frozen meat, you know?—But it tells upon this point: the desirability, as regards the persons ordering and consuming the meat, of having the one kind of meat as against the other kind of meat.

1116. That may be so; but what we are at present concerned with is the question of price what the contractor was entitled to get for that cheaper, although superior, article, the frozen meat;

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meat; and whether, if it was a cheaper but superior article which was desired, it would not have been better to make another arrangement as to price. That is what I think is the real question for the Committee. It thus comes down to the point whether the contractors, in response to the surprised enquiry of the War Office, claimed that they had a right to supply frozen meat under this contract?—I cannot say as to that, because the question was not addressed to the contractors; the question was addressed to the General Officer Commanding the Lines of Communication, and it was he who replied that the original understanding when the contract was made was that frozen meat should be supplied when frozen meat was more desirable. The contractors were not referred to so far as I know at that point.

1117. Then the information the War Office obtained was that the person who in South Africa made the contract stated that the understanding was, at the time the contract was made, that frozen meat was within it?—Scarcely that. The contract would not be made by the General Officer Commanding; this contract would be made by the senior Army Service Corps officer. The information received afterwards as to the desirability of having frozen meat under certain conditions came from the General Officer Commanding, but he was not the person who made the contract. As the honourable Member will understand, in all cases with regard to the military hierarchy the General Officer Commanding represents the supreme authority at a certain place, and these various subsidiary individuals who either see after supplies or see after discipline report to him, and do things under his directions.

1118. Quite so, but once again let me say I am not asking you about the desirability of having frozen meat instead of fresh meat at all; I am asking you with regard to the terms of the contract, and I ask you whether you had from the person who at the Cape was making this contract, and who I presume was the same person who communicated with the War Office upon its terms while it was a-making, any statement that his understanding of the contract was that it gave licence to the contractors to supply frozen meat?—Most distinctly.

Mr. Austen Chamberlain.

1119. Are you referring to the statement you read to us earlier?—No; independently of that I have seen Colonel Richardson, and he most distinctly gave me so to understand; I have also had one or two notes from him—I do not know whether they cover that exact point.

Chairman.

1120. Perhaps you remember what he said *viva voce*?—*Viva voce*, most distinctly; the information he gave me was that he distinctly understood, when he made that contract, that frozen meat was to be supplied.

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Mr. Blake.

1121. Is Colonel Richardson in this country?—Yes.

1122. And accessible to the Committee?—Quite.

1123. Did you put the contract to him and show him these clauses and ask him how he came to that view, seeing that the War Office had the other view, and I confess I think common sense was with the War Office?—I discussed the whole matter with him. There is no reason whatever why he should not attend before the Committee if they would desire his attendance.

1124. I think it is desirable we should have Colonel Richardson's views stated by himself?—What he mainly wrote to me about was the price, which he considered was a very fair and very good one.

1125. That is another question; the question we have to consider at present is as to the article. However, if we are to have Colonel Richardson I will not ask you any further questions about this point?—There is no reason why he should not attend if the Committee desire.

Chairman.] We will summon Colonel Richardson to attend at the next sitting.

Mr. Blake.

1126. Then I wish to ask you one question about the Customs duty. As I understood you, there was no special arrangement made upon the subject of the Customs duty with regard to the supply of this meat. You have already explained the circumstances under which at a later date, for the general benefit of the inhabitants of the Cape, and at the instance of the Officer Commanding the Lines of Communication, the duty was dispensed with on certain imports; it was provided generally that certain supplies for the Colony imported by the Government were to come in duty free?—Yes.

1127. It was held to apply to the supplies under this contract, although they were not imported by the Government itself, but by the contractor, seeing that it was for the use of the Government?—Yes.

1128. That was understood to be the case at the time the contract was made?—Yes.

1129. So that at the time the contract was made the Government and the contractors knew that this advantage, so to speak, which the Government had, would benefit the contractors, and it was considered in the price. Then I wish to ask you one question with regard to the expense of the transport of this meat. There was a period, if the newspapers told us correctly, at which the railways were taken possession of by the military hierarchy, to use your own expression, and were utilised for the purpose of the war?—Yes.

1130. Do you know whether it is the case that any large portion of this frozen meat was conveyed by the railways during that period?—I cannot tell you.

1131. Nor

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1131. Nor can you tell, therefore, what the freight arrangements would be under such circumstances?—No, I cannot say. It would be very difficult to trace that. The general arrangement, no doubt, would be that the contractors would have to pay for the conveyance of this meat to the place where it was delivered, but to ascertain the exact extent or to trace any transaction through as regards any particular truck would be impossible.

1132. The normal conditions would be, of course, that he had to convey it; and under this contract, as I read it, he had to convey it because he has to drive the cattle. And so, if he was to supply dead meat in the normal conditions, so long as the railways were worked upon commercial principles, he would have to pay the freight for the dead meat; but directly the railways were taken possession of by the military and used for the purpose of the campaign, you cannot say what arrangements were made or to what extent the freight was charged to the contractors?—I cannot. The freight would be chargeable without question, but what detailed arrangements were made for securing it I cannot tell.

Mr. Goddard.

1133. Is this form of contract which we have been referring to the form in use at the present time?—I am afraid I cannot answer that question. The contract which was made immediately after this would scarcely have been in exactly the same form, because the next contract after this made a differentiation between the price of cattle following the troops and the price of frozen meat.

1134. Then it was not in the same form?—It could not be precisely identical with this.

1135. (To Mr. Richmond.) As to the last subparagraph of paragraph 20 of your Report, I take it you put that in without having made inquiries as to the difference of terms as between the Admiralty Contract and the War Office Contract?—Yes. I had made no further inquiry.

1136. Practically, may I take it that argument is withdrawn after the statement which has been made to-day by Mr. Marzials?—That is so.

Sir Robert Mowbray.

1137. (To Mr. Marzials.) I am not quite clear as to what your view is after your examination by Mr. Bowles and Mr. Blake. I think you told Mr. Bowles that you thought you had no legal ground whatever for asking for a refund?—I do not think we have.

1138. You told Mr. Blake, I understand, that on looking at the contract you thought the contract was perfectly plain; that it did not contemplate the supply of frozen meat?—Although the contract implies the use of meat following the troops, I do not think it absolutely excludes the use of frozen meat, and I do not think you could sustain any action at law against the evidence which you would receive from the Cape, that in the making of that contract it was

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distinctly contemplated that frozen meat should be used.

1139. Does it not rather hang on this; what was the meaning of imported meat in the conditions of the contract?—May I put it this way: Do you seriously think any jury would give a verdict for damages if you went to them and said, "Here is a contract of which the terms certainly imply a certain thing but do not distinctly exclude another thing. The witnesses tell you that they distinctly at the time told the contractor that he could supply stuff of this kind, and that they were extremely happy that he should supply it, and that it was the best form of stuff that he could give the troops."

Mr. Goddard.

1140. You yourself admit there was considerable doubt as to the wording of the contract, because, as I understand, the contract has been altered since?—There was very great doubt as to the contract, because for a couple of months the War Office thought it meant something else.

Mr. Austen Chamberlain.

1141. Do I correctly understand that the only description of meat in the contract is fresh colonial or imported meat?—That is so.

1142. Those are the terms of the contract, are they not; will you look at the contract to see whether I have got the words accurately?—In the contract itself the words are "We, the undersigned, hereby agree to supply and deliver to the various military camps fresh meat for the use of the troops employed on active service in the Cape Colony, Orange Free State, and Transvaal."

1143. "Fresh meat" is the only description?—There "fresh meat" is the term used; in another portion of the contract it says, "The weight of every cattle or sheep supplied alive to be determined by the average dead weight of cattle or sheep of similar breed and description which have already been slaughtered." That might be anything; then in Clause 15 it says, "This contract to be for 2,000,000 lbs. of meat, colonial or imported."

Mr. Goddard.

1144. I think the words "preserved meat" is used in the contract?—Yes, that was not as regards meat supplied under the contract.

Mr. Blake.

1145. That was a provision that the General Officer Commanding might have the right to use preserved meat without prejudice to the contractors' right to supply meat?—Quite so.

Mr. Austen Chamberlain.

1146. I understand you to say it is contended in South Africa that the meaning of "fresh meat," described elsewhere as "Colonial or imported," does not merely mean meat on the hoof, but includes frozen meat?—That was so.

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1147. I understand

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1147. I understand your explanation as to the terms on which this contract was made to be this: that the War Office shared the opinion which was very prevalent at the time (although some few of us did not hold it) that the advance would be very rapid, and without any check, and therefore the meat might have to be carried up to the very north of the Transvaal perhaps within a few months?—I think that was clearly the case with the persons who made the contract.

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INADEQUACY OF VOUCHERS.

Chairman.

1148. (To Mr. Richmond.) I gather from paragraph 21 you are very much dissatisfied with the kind of vouchers which were accepted in regard to supplies purchased in the field in South Africa; will you tell me what your complaint as regards these vouchers was?—The objection to them was partly that they contained very slender information as to the supplies actually bought; and further that the payments themselves were made on the authority of one single officer without other signature or check. A further objection was that we could not follow the supplies to their proper classification without details, and details were often entirely wanting.

1149. That complaint of yours, I believe, has been referred to the General Officer Commanding Lines of Communication?—That is so.

1150. From whom a communication is promised; have you received any further communication?—I have received a copy of the explanation obtained by the War Office. It is of very considerable length. I do not know whether the Committee wish that I should read it. It explains very fully the difficulty under which the business was carried on, and the changes which have been made.

Sir Brampton Gurdon.

1151. Are you satisfied with that explanation?—I am so far satisfied that I understand the War Office now obtain more particulars and a second signature. Perhaps Mr. Marzials will correct me if I am wrong.

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Vote 7.—Payments for Supplies Purchased in the Field, South Africa. — Inadequacy of Vouchers—*continued.**Chairman.*

1152. (To Mr. Marzials.) Will the vouchers now be signed by two persons?—In so far as it is possible to do it. I may explain that these were supplies purchased by troops on the march, and there was extreme difficulty in arranging for payment. Supposing, for instance, they went to a farm and purchased meat or poultry or cattle, or anything of that kind, it was impossible to have a second officer always present to check the price given; and the consequence was that the purchasing officer gave what was a negotiable receipt, practically a kind of cheque to the person from whom he received the goods, and that negotiable receipt, showing in more or less detail what had been received, became the voucher for the charge. Of course, that is not a system that would obtain in peace time; more formality would be required then. But they have explained from the Cape that owing to the exigencies of the service it is impossible that those formalities should be always observed; a certain latitude must be given to individuals travelling apart in small detachments and deriving these supplies in small places—they cannot always carry coin about with them. Sir Redvers Buller was extremely anxious that large quantities of coin should not be carried about with the troops, and this form of half cheque and half negotiable receipt was devised for the purpose of meeting the trouble. I agree that in time of peace vouchers with greater detail and of a more formal character are necessary, but the circumstances here rendered it impossible to observe all the usual formalities.

1153. Then possibly you will get a second signature to the voucher and put in the amount taken as far as possible?—That is so.

Sir Brampton Gurdon.

1154. They generally have a good many signatures, a good many more than two, do they not?—It depends upon circumstances.

1155. I once had a pony shod in the North Transvaal and eight signatures were required?—To this extent then it is an improvement.

(The Witness withdrew.)

Wednesday, 8th May 1901.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Cameron Corbett.

Mr. Goddard.
Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Mr. ROBERT CHALMERS, C.B., and Mr. DOUGLAS CLOSE RICHMOND, called in; and Examined.

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Mr. FRANK THOMAS MARZIALS and Colonel Sir WODEHOUSE D. RICHARDSON, K.C.B., called in; and Examined.

VOTE 7.

SUPPLY OF MEAT TO TROOPS IN SOUTH AFRICA.

Chairman.

1156. (To Colonel Richardson.) In what capacity were you at the Cape?—I was Deputy Adjutant General for Supplies and Transport.

1157. The Committee are anxious to have your evidence to-day upon the question of the contract which was entered into, I think, in October 1899, for the supply of meat to the troops in South Africa, and particularly with regard to the quality of the meat, whether it was to be fresh meat or frozen meat, or partly fresh meat and partly frozen meat; would you tell us the circumstances under which the contract was entered into?—I arrived in South Africa on the 4th of October 1899, just about 10 days before the war commenced (I think war was declared about the 14th of October), and I found there was no contract for meat for the troops who were coming out in large numbers. We heard by telegram that some 35,000 or 40,000 troops were going to be sent at once to the Cape Colony. It was therefore absolutely necessary at once to enter into a contract for fresh meat which, of course, was one of the most important things for the troops; because, if you give troops preserved meat or potted meat for any length of time they naturally get sick. Fresh meat is one of the most important things for troops on the march on active service to get. I accordingly went into the question immediately. I communicated with every meat contractor and big merchant on the spot in Capetown, which was the commercial centre in South Africa, and I eventually found that this particular company, the Cold Storage Company, was the only company which could carry out the contract. At

0.14.

Chairman—continued.

that time the retail price of meat at Capetown was, I think, about 1s. per lb., that is, dead meat, refrigerated meat or fresh meat; in fact, I do not think there was much difference between them. There was a 2d. per lb. duty on the refrigerated meat, so that it would really mean the contractor would receive, say, 10d. per lb. for his imported meat as against 1s. per lb. for his locally killed meat. When I talked the matter over with the manager of the Cold Storage Company I found that about 1s. 1d. to 1s. 2d. was the least he would charge for a contract for fresh meat. Eventually he said that he would make a reduction if we would agree to take refrigerated meat whenever we could. We had never tried supplying refrigerated meat on service before, that is to say, it has never been tried in any country in war time, except at the base; so that it was very doubtful whether refrigerated meat would turn out satisfactory. But I said, all right, we should only be delighted to have refrigerated meat, because we should not have to drive the cattle and feed them, if he could deliver it. And eventually I made this contract for 2,000,000 lbs. of meat (I think that was the quantity) at 11d. per lb.; but it was entirely understood that he could supply any sort of meat so long as he supplied good meat wherever the troops happened to be at the time.

1158. Did you communicate that contract to the authorities at home?—Yes; directly it was made it would be communicated home.

1159. Did you explain to them about the meat that it was either fresh meat or frozen meat?—Of course, you will understand that it is not

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[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 7.—Supply of Meat to Troops in South
Africa—*continued.**Chairman—continued.*

not I, myself, who communicated home; my General communicates home; and everything that I did, I did in the name of my General at the Cape, but, of course, I was responsible entirely. My General would communicate home to the War Office; no doubt the letter would be written in my office.

Mr. Gibson Bowles.

1160. You would supply him with the information?—Yes; I mean I would not personally communicate with the War Office.

Sir Robert Mowbray.

1161. Did you personally sign the contract?—I think so.

Chairman.

1162. At Capetown you distinctly understood that the contract at 11d. per lb. for meat was to include frozen meat?—Certainly. You see we were only making a contract for 2,000,000 lbs. of meat (which was a mere bagatelle as compared with the quantity that would eventually be wanted) before we could communicate with the War Office.

Mr. Goddard.

1163. The contract was for 3,000,000 lbs., was it not?—I am only speaking from memory, but if you look at the contract I think you will find it was for 2,000,000 lbs. certain, and we had the option of taking an increased amount.

1164. In February, I see from the Report, 3,000,000 lbs. of meat had been supplied under that contract?—I think 2,000,000 lbs. was the original figure.

Mr. Blake.

1165. The contract was for 2,000,000 lbs.?—Yes, originally; I think there were 4,000,000 lbs. supplied altogether under the contract.

1166. There was a provision in the conditions of contract that a third million might be required later?—Yes.

Sir Brampton Gurdon.

1167. Did I understand you to say then, that at Capetown in the butchers' shops there was no difference in price between frozen meat and fresh meat?—I believe it was virtually the same in October. Of course there was this difference that the Colonial Government were taking 2d. duty on the imported meat, but so far as the individual consumer went, for instance the hotels, I think it was the same.

Mr. Gibson Bowles.

1168. This contract was made with the Cold Meat Storage Company?—Yes.

1169. Is the Cold Meat Storage Company a company that deals in live meat as well as frozen meat?—The Cold Meat Storage Company was originally a company which dealt in nothing but live meat; but at that time, viz., in 1899 (owing to the rinderpest having taken place

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Africa—*continued.**Mr. Gibson Bowles—continued.*

a few years before) they had started a cold storage at Capetown, and at this time, viz., October 1899, they were the only company which had a cold storage at Capetown.

1170. You say you made this contract?—Certainly.

1171. You understood it, did you, to be for either live meat or for dead meat?—It was a dead meat contract. If you read the contract you will see—

1172. I do not wish to refer to the contract at the moment; I would rather take it from you?—It was a dead meat contract; the contractor was to supply the meat dead, not alive. None of the meat was to be supplied alive, except when the troops were in detachments.

1173. Then the meat which was to be supplied dead was either to be the meat of animals killed on the spot, or it was to be frozen meat; was that so?—Certainly.

1174. Let me be quite sure that I understand you rightly; do I understand rightly that this meat according to your contract was either to consist of frozen meat delivered at the place where the troops were, or of dead meat delivered at that place of animals killed there?—Yes; I would rather put it the other way, that it was to be either meat from animals killed there, or the contractor was to be allowed to deliver frozen meat instead.

1175. That is how you understood it?—Yes.

1176. You sent the contract through your General to the War Office?—Yes.

1177. Did you consider that the contract required any explanation such as you have now given to the Committee?—I think the War Office wrote back a little time afterwards—

1178. Pardon me, I am not asking that at all; my question is when you sent this contract home, did you consider it required any explanation to show the true effect of its terms?—No, we only sent it home in the ordinary way, and with a covering letter saying that we had entered into the contract; I think we telegraphed home in the meantime.

1179. You did not consider it required any explanation?—No, we thought it was plain on the face of it.

1180. What was it you thought was plain?—When we had made a contract for dead meat at so much a pound we thought that was plain. We did not think it was necessary to enter into this question whether the dead meat was to be refrigerated meat or not.

1181. It never occurred to you that the War Office might take a different view of the contract?—No.

1182. Do you now think it is reasonable to take a different view of the contract?—I have been through the correspondence since. I do not think people on the spot could take a different view, but I presume you mean people at a distance, at the War Office?

1183. Taking the contract, do you think it is

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[Continued.]

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Mr. Gibson Bowles—continued.

is reasonable to take any other view of it than you took at the moment?—I was on the spot and so I knew it was a contract for dead meat and I knew it included refrigerated meat.

1184. But as I understand, you sent home the contract without any explanation because you thought it required none?—Yes.

1185. Do you now think it would be reasonable to put any other meaning upon it than you yourself put upon it at the time?—I know when it arrived home the War Office did——

1186. Do you think it is reasonable to put any other construction upon it?—I think it was quite reasonable that the War Office or any other person here might not have understood that refrigerated meat was included in the contract.

1187. It never occurred to you at the moment that anybody would take any other view of the contract than the one you took?—No.

Mr. Blake.

1188. Who wrote the contract?—I drafted the original form of contract before the contract was entered into. I drafted a form of contract which we sent round to all the different people whom we hoped would tender, and asked them to fill in those prices. The contract was for dead meat, if you understand, from live animals—live cattle or sheep.

1189. You have not got your draft here, I suppose?—No, I have not got any of the papers; but it was almost word for word the same as the contract that is in this printed paper.

1190. That is to say, taking as the contract the document and the conditions which were read on the last occasion; the contract is cut into two pieces, as I understand?—Yes, the document and the conditions.

1191. You say it was substantially the same; I understand you sent that document, which you yourself had drafted, to different persons who you hoped might tender, so as to get competition?—We sent that document to different persons so as to get competition, but we got very little competition; nobody came in and filled up the form, and, of course, we could only give them two or three days; and, eventually, the manager of this firm, which was the biggest firm in South Africa, having ramifications all over South Africa, offered to do it at 1s. 1d. a pound; I said to him, that is an enormous price, and on talking it over and discussing the conditions he said, if we would allow him to deliver refrigerated meat to the troops who would be or were quartered along the railway line, he would reduce the price to 11d. Of course, I jumped at that, because we would much rather have the meat without hides and offal, and that sort of thing. My great object was to get a meat contract as cheap as possible.

1192. What you really wanted was refrigerated meat; what you would have preferred was refrigerated meat?—Yes; that is to say, what we preferred, of course, was meat that we need

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Mr. Blake—continued.

not have to guard, and which we would not have to provide grazing and water for; as although the contractor was responsible to provide everything for his cattle still the military authorities would be responsible for seeing they had a sufficient pasturage to graze on and sufficient water; and, therefore, under those circumstances, refrigerated meat was absolutely better from the military point of view.

1193. Quite so; I mean under the new conditions, not in the abstract?—Quite so.

1194. Under the conditions under which you were going to get the meat you would have preferred refrigerated meat to live meat?—Certainly.

1195. When you drew the contract and sent it out, did you send it out with any notion of its embracing refrigerated meat?—When I originally drafted that contract (and you will remember I had only landed in South Africa two or three days before), I had not the slightest idea that the troops would be able to get refrigerated meat, or that it could be sent up country. Therefore, when I drafted the original draft tender to be filled up and sent in, refrigerated meat was not in my mind, as it had never been tried on service before at any distance from the coast, so far as I knew.

1196. Those are the reasons for the answer which you intend to give to my question, which was this: had you any notion of including refrigerated meat in the terms of the tender?—No.

1197. You had no such notion, and therefore you did not suppose you had done it in the writing?—In the original draft I did not suppose so.

1198. You say that draft was substantially the same as the contract which was made; could you tell me which parts of the contract which was made and which is before us (and that is the only thing that is before us) are those which show that it includes refrigerated meat which you had not supposed originally you would be lucky enough to get?—I have a copy of the original contract here; I do not know whether you have a copy before you.

1199. I have a copy of it in the evidence as it was repeated to us by the witness on the last occasion?—If you look at it you will see it is headed "Tender for the supply of Beef and Mutton to Troops on the March." That part of the tender form is copied from the ordinary form of contract used in the service for live cattle and sheep, but I have altered the words "For the supply of Live Cattle and Sheep" to "For the supply of Beef and Mutton."

1200. But that you did originally, because originally when you were asking for meat, which was not to be refrigerated meat, you never intended to contract with the contractor that he would supply live cattle, but he was to supply it as dead meat?—He was paid as dead meat.

1201. But you were intending, as you have already

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already said, that he should be paid as dead meat, and therefore should supply you with dead meat, but that that dead meat should be in the form of cattle that were to be driven or conveyed to stations where it was wanted and there killed?—Yes, but I am only saying that the particular printed form of contract from which that is taken is called a live meat contract. It is headed in the War Office contract, "For the supply of Live Cattle and Sheep." When we arranged with this man to have refrigerated meat, I altered that to "Beef and Mutton" instead of making it what we call a live cattle contract.

1202. But I understood you to say that from the very beginning (as appears from the terms of the contract) you were contracting that it was not oxen and sheep that were to be handed to you, but beef and mutton?—Yes, but that is in War Office parlance a live meat contract; it is called a contract for "Live Cattle and Sheep," so I altered it to make it clear, to "Beef and Mutton." I quite agree it is a dead meat contract at so much a lb. If you notice further on, it says, "Fresh meat for the use of the Troops."

1203. The first alteration you say you made was to put "Beef and Mutton" in the heading?—Yes.

1204. Which, however, accurately applies, as you agreed to a live meat contract, when you are going to take the meat dead?—Yes.

1205. What was the next alteration you made?—You will see fresh meat is mentioned in the second line: "We, the undersigned, hereby agree to supply and deliver at the various military camps Fresh Meat." I have not got one of the forms with me, but I think you will find in the printed War Office forms that those words "Fresh Meat" are printed "Live Cattle and Sheep."

1206. If it is only a question of thinking I do not know that it is worth pursuing it. What other changes did you make?—Then we come to the conditions next.

1207. Let me take the conditions one by one; the first condition seems to be immaterial?—Yes.

1208. The second condition is "Meat from Oxen to be supplied in fore and hind quarters, the bone being cut off four inches above the hock," and so on. Then the third condition is "Cattle and Sheep to be driven with the troops in such numbers and with such brigades, bodies, detachments, &c., as shall be duly intimated to the contractors, but not more than 10 days' supply of cattle and sheep to be required to accompany any body of men unless the quantity of such extra supply for a longer period shall have been paid for by the military authorities." That indicates the kind of dead meat which was to be got?—That is when the troops were on the march.

1209. Quite so?—There were a large quantity

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Africa—continued.

Mr. Blake—continued.

of troops halted at all the posts along the railway and guarding those posts; those were the troops that had the refrigerated meat.

1210. I suppose we will find those dealt with later on. Then the fourth condition is "The contractor to provide suitable grazing agents, drovers, or other necessary labour to tend and care for the cattle and sheep." That also appears to be a contract for dead meat to be made out of live meat upon the spot. Then the fifth condition is "The military authorities to provide mounted and other escorts as necessary." That is open to the same observation. Then the sixth condition is "The contractors to provide butchers to slaughter, dress and cut up the meat, but the military authorities agree to assist the contractors with any Army Service Corps butchers available on the spot." That is open to the same observation. "(7) The weight of any cattle or sheep supplied alive to be determined by the average dead weight of cattle or sheep of similar breed and description which have already been slaughtered." And that is open to the same observation. Then the eighth condition is "Sufficient notice to be given to the contractors by the military authorities of the number of cattle and sheep or weight of meat required, and all other information necessary," and so on. That is open to the same observation. Then the ninth condition "The military authorities to compensate the contractors for any meat, cattle, or sheep accompanying the troops or held in reserve." There again we get "Cattle or Sheep." Then coming to the tenth condition "The cattle and sheep to be such as will provide meat of fair average quality"?—May I interpose. If you look at Condition 8 you see it says "Sufficient notice to be given to the contractors by the military authorities of the number of cattle and sheep or weight of meat required." That meant, of course, the weight of dead meat required.

1211. Certainly, because what they really meant was dead meat?—They were paid by the pound.

1212. They might say to the contractor they wanted 100 oxen at a certain place, or they might say that they wanted so many pounds?—We only used the live cattle for small detachments.

1213. That is the way the thing worked out, but we are dealing with the contract itself at the moment; then the tenth condition is "The cattle and sheep to be such as will provide meat of fair average quality free from disease, and all meat to be subject to such inspection as the military authorities think fit, due consideration being given to the exigencies of the time and place; and, at least, half the quantity of the meat supplied shall, if required by the military authorities, be beef"; that also seems to be dead meat made out of live cattle on the spot; then the eleventh condition is "The military authorities to have the right to issue preserved meat whenever considered desirable"; that was, I suppose,

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Mr. Blake—continued.

suppose, designed to prevent any claim on the part of the contractors in case the military authorities themselves took preserved meat?—"Preserved meat" means tinned meat. Of course, we had the right to issue tinned meat whenever we pleased.

1214. The contractor could not complain of you not taking the supply from him; that was the intention of that article?—Yes.

1215. So I supposed. Then the 12th article is: "Any dispute under this contract to be referred to the General or other officer commanding, whose decision shall in all cases be final. (13.) Payment to be made to the contractors with all reasonable despatch at the end of each fortnight. (14.) The contractors for themselves and for their agents to obey all orders which may be issued for the safety of the cattle and sheep, or otherwise." That is also open to the same observation?—Of course all those cattle and sheep are cattle and sheep which have been driven with the troops.

1216. Yes, I know; at the time you made the contract you were expecting that the troops would move a great deal faster than turned out to be the case?—Certainly.

1217. At that time the delay at the Modder was not thought of?—We did not think we should be detained so long there, certainly.

1218. The interpretation of the contract is, that you were arranging for what was supposed then to be a plan of advance?—Yes.

1219. The delays which occurred were not at that time contemplated; therefore your contract was made, not with reference to those long stops at different points on the Modder and at the Tugela, and so on, but it was what I may call a marching contract?—Yes; the contract was drafted entirely, as you say, as a live meat contract. We expected that the contractor would have to drive the cattle with us.

1220. The contract was made as a live meat contract although the contractor out of the live animals was to supply the meat as dead meat?—It was so drafted originally, but the contract was not made so ultimately.

1221. Well, we are trying to find out what the distinctions made were. Then the 16th Article is: "In the event of further supplies being required by the military authorities they shall give to the contractors before 1,500,000 lbs. of the 2,000,000 lbs. have been supplied, notice to supply the third million lbs., and should it be found that further supplies are required for the troops the military authorities shall give the contractors notice to supply the fourth million lbs. before 2,500,000 lbs. of the 3,000,000 lbs. have been supplied, and such additional quantity shall be supplied upon the same terms and conditions as the 2,000,000 lbs. (17) The contractor shall only follow up the main bodies of troops with supplies. Small bodies of men to be supplied with live stock which they shall look after themselves. That is he was not to be called upon to

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Vote 7.—Supply of Meat to Troops in South
Africa—continued.

Mr. Blake—continued.

kill with regard to a small body going out in a small expedition?—If you sent a small detachment of, say a hundred men, you gave them so many sheep and they looked after them themselves.

1222. Quite so. As to the interpretation of the contract we may differ, but let us see what the terms of the contract were. Then I will pass from that. Now what you did was, no doubt, not to communicate these details to the War Office by a cable in the first instance, but there was some short cable sent intimating generally, I presume, what your arrangement was, and then you sent on the contract itself in a covering letter?—Yes, the covering letter we wrote was as follows: "I have the honour to enclose a copy of the contract entered into with the South African Supply and Cold Storage Company, Limited, for the supply of beef and mutton for troops on active service in Cape Colony, Orange Free State, and the Transvaal. You have already signified concurrence in my proceedings by cablegram." That was dated the 1st of November.

Mr. Cohen.

1223. Who signed that?—One of my officers, Colonel Bridge; I probably happened to be away at the time.

Mr. Blake.

1224. Then did you at any time receive from the War Office, and if so, about when, any communication indicating what their notion had been of the meaning of this contract, because I understand, and you will tell me if I understand rightly, from the former examination that the War Office were surprised when they found (I suppose by the Accounts coming in) that it was refrigerated meat that was being supplied?—I see by the evidence given by Mr. Marzials at the last sitting that in January 1900 "it came to the knowledge of the War Office that frozen meat was being supplied."

1225. What is the number of the question?—It is at Question 1043, in Mr. Marzials' evidence. Of course, I cannot speak to the dates, but I have no doubt the dates Mr. Marzials gave are right. He says: "In January 1900 it came to the knowledge of the War Office that frozen meat was being supplied." I presume it must have come to their knowledge from something we had written; no doubt we had written, because we had only made a preliminary contract for 2,000,000 lbs., and we wanted to know what we were to do as to making a contract for a fixed period for the large number of troops that were coming out, because, of course, 2,000,000 lbs. would only last some 10 days for 200,000 troops.

Mr. Goddard.

1226. The contract was for 3,000,000 lbs., was it not?—It was for 2,000,000 lbs., certain, I think.

1227. It

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Africa—continued.

Mr. Blake.

1227. It was 2,000,000 lbs. with the right to call for 1,000,000 more?—Yes, 2 million more.

Mr. Goddard.

1228. It is said by the Comptroller and Auditor General, in paragraph 20, that "three-fourths of the 3,000,000 lbs. of meat which had been supplied under" the contract "up to the 1st February 1900 was frozen or refrigerated," so that the contract must have included up to 3,000,000 lbs.?—It was a 4,000,000 lbs. contract, but we had the right of terminating it after 2,000,000 lbs. had been supplied.

1229. You took 3,000,000 lbs., of which 2,250,000 lbs. was frozen?—We took 4,000,000 lbs., of which 3,000,000 lbs. was frozen.

Mr. Blake.

1230. Then there has been already produced, in the evidence of Mr. Marzials, the reply which was made to the inquiry of the War Office?—Yes.

1231. That reply was, as is shown at Question 1043, that when the contract "was entered into it was quite understood that imported frozen meat would be supplied whenever the troops were within easy distance of the railway from Capetown, where the Cold Storage Company's dépôt is situated. Clause 15 stipulated that imported meat (meaning frozen meat) might be supplied." That is what I wanted particularly to get at. I had some sort of recollection of that, but I could not find it at the moment. Clause 15 reads: "This contract to be for 2,000,000 lbs. of meat, colonial or imported." It seems to be rested upon that; but that does not necessarily imply frozen or refrigerated meat: the meat might be imported alive?—Yes. But they only imported a few Madagascar cattle into Natal.

1232. But I am speaking of those who did not know the exact condition of things, but had only the contract to go upon; those words do not seem necessarily to imply frozen or refrigerated meat?—I quite agree that the contract which I made, and which was forwarded home, might have been, and was misunderstood by the War Office as meaning a contract for live meat only; whereas when I made it with the Cold Meat Storage Company I intended, and they intended (as we wrote in January, a few weeks afterwards, in answer to some communication from the War Office), that whenever they could the contractors were to be allowed to supply refrigerated meat.

1233. At the time it was supposed, I presume, that (so far as I can gather from the circumstances to which you just a moment ago referred) the expense of transport, whether of one kind or the other, would be much more serious than it turned out afterwards to be when masses of troops became stationary for so long a time and on the railway line?—No; because it would

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Mr. Blake—continued.

have been cheaper to have driven live cattle with the troops in that way than it would have been to send them by railway. If, as we expected, the troops had gone through the Orange Free State to Bloemfontein much earlier than they did, we should have pushed the cattle not *via* the Kimberley railway across the Kalahari Desert, but we should have pushed them up from the south on the hoof.

1234. But as I said, it was supposed that the expense of getting the meat, whether it be on the hoof or otherwise, to the troops would be a much more important element than it subsequently turned out, in consequence of your supposing at that time that your troops would be marching further into the country and further from the base of supply, and that the supply would have to be made at various points as the troops advanced, whereas the supply was, in point of fact, for a very large mass of the troops in one place?—Yes, we were able to use a much greater quantity of refrigerated meat than I expected, and the contractor consequently made a better bargain than he expected. We on our side were quite pleased, because we made a better bargain from our point of view, in that we did not have to guard the cattle or bear the loss if they were captured. I may mention that for instance, that out of the live cattle with Lord Methuen's force some hundreds were captured one evening, and the Government had to pay for them at the rate of about 20*l.* a head.

1235. You said something about the price of meat in Capetown at the time the contract was made. You said that the price of meat at Capetown ruled at about 1*s.*?—The retail price.

1236. And that it was practically the same price whether it was refrigerated meat or fresh-killed meat?—Yes. I do not believe people could tell the difference when it was in the shop.

1237. You pointed out that the sellers of refrigerated meat or the importers had to pay a 2*d.* duty to the Government, so that it was a 10*d.* price having regard to the duty as against a 1*s.* price for cattle grown in the country?—Yes.

1238. Then you said that 1*s.* being the retail price, under those conditions, of both kinds of meat, the Cold Storage Company proposed to you to make this large wholesale contract at 1*s.* 1*d.*?—That was for live meat only.

1239. I know?—And of course it was to be sent all the way up country. We should naturally get cheaper rates than the retail prices because we were taking a large quantity, but they were to send it up country.

1240. The contractors were incurring the expense of taking it up country?—Yes.

1241. They proposed 1*d.* more than the retail price, the consideration being that they were to incur the expense of taking it up country, and supply it to you in different parts of the country?—Yes.

1242. You say the contractor offered you to make a reduction to 11*d.* provided he was allowed

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allowed to supply refrigerated meat?—Yes, we had several interviews, and that was what he offered eventually.

1243. That was the offer. Was anything said about the duty at that time?—We never paid duty.

1244. I know you do not pay duty?—We had a large contract already for a supply of meat at Capetown for the military authorities which this did not interfere with. We had a contract with this same contractor which had been made on the previous 1st April, I think; on the 1st April he had a contract made with the military authorities for supplying the whole of the troops at the Cape, and, of course, there was a very considerable number of troops at Capetown. He had also a contract with the naval authorities. We said to him "This is not to touch our contract for Capetown; this is only a contract for the troops in the field." But he having this contract with the military authorities at Capetown would know perfectly well that he would get all his meat in free of duty. He would get a paper signed by the proper authorities, saying so many pounds of imported meat have been used by the troops during the month, and he would hand that in to the Custom House officials, and they do not charge him duty on that particular quantity.

1245. That is quite satisfactory; I understand there were already contracts for the supply of meat at Capetown with this contractor, which contracts included refrigerated meat, and the custom had grown up, and was well understood, that upon his presenting to the Custom House officials the acknowledgment of the military authorities that they had received so many pounds of meat he got a rebate of the duty he had paid?—Yes.

1246. You suppose, I presume, that he understood, and you understood the same thing would apply in the case of this contract?—We talked it over, and, no doubt, I would say to him (in fact, I can remember it, although it is a long time ago) "Remember you are getting a rebate on all this meat, and, therefore, if we let you supply refrigerated meat to the troops up country you have got to reduce your price." Of course, he had us in his pocket, so to say, because his was the only firm who could do it.

1247. Then the case was this, with reference to the comparative profit of the two, that refrigerated meat duty paid, retail in Capetown was fetching a 1s. a pound, and therefore was fetching 10d. nett, after deducting the duty; the price was 1s., out of which 2d. was duty?—Yes.

1248. Whereas, under this contract, he was going to get 11d., or 1d. more?—Yes, but as regards the 1s., he would be the wholesaler; he would not be supplying consumers who came to buy meat retail. He would probably only get 6d., and he would be lucky if he got 7d. from the butchers; the rest of the profit from the 1s.

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went, no doubt, into the pockets of the small butchers at Cape Town.

1249. I quite understand he was the wholesaler?—The whole thing depended upon the price.

1250. Then it was thoroughly understood, and, in fact, I may say it was expressed between you that he was getting the benefit of the duty allowance when you made this arrangement?—Yes.

1251. There is one thing more that I want to ask about, not connected with this part of the case at all. The contractor was to pay all the cost of transport, was he not?—Yes.

1252. Which of course applied to refrigerated meat as well?—As regards refrigerator cars, I am not sure that he did not own some of the refrigerator cars.

1253. Was there a period during which this contract was current and when the refrigerating cars were going over the railway, when the railway had been taken possession of by the military authorities?—The Cape railway never was taken possession of by the military authorities.

1254. No part of the railway over which this meat went?—Whenever he sent up any meat it would be consigned to a particular station; it would not be in his charge. There would be so much refrigerated meat in the refrigerator car surrounded by ice, that would be consigned from Capetown to such and such a station, and the contractor would have to pay the freight to that particular station.

1255. Then, I understand, there was no difficulty arising from the military authority having taken the control of the railway, but he managed his freights with the Cape railway, which I think is a Government railway?—Yes, with the Cape Government administration.

Mr. Cohen.

1256. You told the Chairman at the beginning of your examination that it was not you but your General who forwarded the contract to the War Office?—I said I worked under my General's orders.

1257. But inasmuch as it was not you who forwarded the contract, and inasmuch as the contract did not disclose that there was a faculty reserved of supplying frozen meat, there was no possibility for the War Office to know till a much later stage that that faculty had been reserved to the contractor; they could not have known that till later?—No, the War Office might not have known it.

1258. Did your General know it?—I would not like to say that the General actually knew that; he would only know that there was a formal contract made.

1259. But the faculty to supply frozen meat was a verbal understanding made in conversation between you and the contractor, was it?—No, it was embodied in the contract; that is to say, though we did not actually use

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the words "frozen meat," the agreement was for the supply of any fresh meat by the pound. For instance, take the contract that existed at Capetown at the time. There was a contract at Capetown for the troops there—that was simply a contract for fresh meat; the contractor supplied refrigerated meat, or meat that was killed at Capetown just as he pleased. I do not suppose myself, if you get hold of that contract which is on the printed form, it states that the contractor is to supply so much refrigerated meat, or any portion refrigerated meat, or any portion fresh killed.

1260. As a matter of fact, you told him he might supply refrigerated meat?—We did, as a matter of fact, but of course we wanted to get it as cheap as we could.

Mr. Herbert Lewis.

1261. There was no written correspondence then at all, as I understand, varying the terms of the contract between you and the contractor?—We never did vary it; here is the contract as it was signed by the contractor, or at least a copy of it.

1262. There was no correspondence in relation to the contract at the time between you and the contractor?—I have no doubt some correspondence might be found at Capetown. Letters must have been sent from the Cold Storage Company to us.

1263. Did you employ any professional legal assistance at all in connection with this contract?—No; we do not, as a rule.

1264. Still in this case the contract contemplates an expenditure at the lowest of something like 100,000*l.*, and ultimately under that contract, as you have told us, meat to the value of nearly 200,000*l.* was supplied; in cases of that kind is it considered to be unusual and unnecessary to obtain legal advice?—I have no doubt it would be approved if I had obtained legal advice, but I have been 30 years making out contracts, and therefore have some experience. If I thought there was any legal point upon which advice was wanted, I would have consulted a lawyer. For instance, we made a very big transport contract and we did consult a lawyer in that case, because there were a lot of intricate points involved. But these conditions in this contract are copied almost word for word from the printed form of contracts which they have at the War Office.

1265. Which, however, apply to rather a different state of circumstances?—You must bear in mind another point I forgot to mention, namely, that this contract was only made for 2,000,000 lbs. of meat certain, and before that 2,000,000 lbs. of meat had been consumed our letters or our cablegrams had reached the War Office authorities who were in negotiation for another contract, and in making that other contract the War Office deducted 2*d.* a lb. for every pound of refrigerated meat supplied under

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this contract, and therefore when you say that we were paying 11*d.* a lb. for the meat you must remember we have only been paying 9*d.* a lb.

1266. It is correct to say, is it not, that out of the 3,000,000 lbs. supplied up to the first of February 1900, 2,250,000 lbs. were refrigerated meat; is not that so?—I have here a letter signed by Sir Frederick Walker, who was my General, and which no doubt I drafted, in fact I see it is marked with my office stamp (*producing the letter*).

1267. You need only give us the figures. I gather from the Report that up to that date it is estimated that 3,000,000 lbs. of meat had been supplied by the contractor—that is 3,000,000 out of the 4,000,000?—By the 1st February we had consumed the whole of the 4,000,000, and of that about 3,000,000 was refrigerated.

1268. May I ask you another question outside this particular matter altogether. Had you anything to do with the arrangements that were made for provisioning Ladysmith?—I was the senior officer with the Army Service Corps in South Africa, and all the officers therefore of the Army Service Corps were under my orders, more or less, and I was responsible for sending supplies to Natal as fast as we could get them, and was constantly in telephonic communication with Sir Edward Ward, the Assistant Adjutant General in Natal. He was the officer on the spot in October who was absolutely responsible. Everything he wanted in bulk he would wire to me at Capetown for.

1269. Did you make any meat contract for Ladysmith?—I could not tell you; do you mean before the siege?

1270. Yes?—I am sure there was a contract, but I do not remember what it was.

1271. Do you remember whether that contract was made with the sanction of the authorities at home?—I think it was one of the periodical contracts. There were troops in Ladysmith before the war, and therefore Ladysmith would be one of the places in which the periodical contracts made every year would be made according to the printed form, and they would be sent home periodically.

1272. But the circumstances were exceptional, and no doubt exceptional contracts were made at that particular time; has any question similar to the one which the Committee has been considering to-day, arisen with regard to any meat contract made in connection with Ladysmith?—The point could not arise there, because you see Capetown and Johannesburg were the only places at the time where there was any considerable cold storage for refrigerated meat, so that it would not arise in Natal. Besides that, in Natal for the troops at Ladysmith, they would have a contract for meat running for one year which had been made beforehand, and that would go on.

1273. But I am speaking of the events immediately preceding the war. It must have been necessary

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necessary as a matter of course to obtain a very large accumulation of stores at Ladysmith, and I take it that the ordinary contracts would only go a very short way towards supplying that want; I am asking with regard to the special contracts that were made in relation to the war: do you know whether any large meat contract was made?—I misunderstood you; I thought you were referring to the Ladysmith Garrison only, I now understand you referred to the Natal Field Force. There was a contract for supplying the whole of the Natal Field Force.

1274. With whom was that contract made; did you make it, or had you anything to do with making it?—I was probably communicated with, but my delegate on the spot would make it.

1275. Did any similar question to the one which we have been discussing arise in connection with that contract?—No, not that I know of; in fact, I do not think there was any refrigerated meat supplied in Natal in 1899.

1276. It was all live meat?—I think so, I am not certain; I think it was only quite towards the end of 1900 that a refrigerated storage place was utilized in Natal.

1277. (To Mr. Marzials.) May I ask you whether the arrangements, so far as you know, in connection with the Ladysmith meat contract, were satisfactory, or whether any question has arisen with regard to it?—No question has arisen about it, certainly, so far as I know. My impression is the same as that of Colonel Richardson, that no question of frozen meat arose in connection with it at all. (Colonel Richardson.) Natal, of course, would have a much shorter railway line than Cape Colony, and the meat would be cheaper. They were close to Madagascar, and they imported a certain quantity of live meat from Madagascar.

Mr. Goddard.

1278. This contract was a very advantageous one for the contractor?—I think so. You will remember that it is only a 100,000*l.* contract.

1279. Still that does not affect the principle?—I mean he would naturally want a higher profit on a smaller quantity.

1280. If, when you entered into that contract, you had known that three parts of the meat to be supplied was to be frozen meat, you would have stood out for a lower price?—I would, but you must remember I was almost absolutely in the hands of that contractor. This particular firm had a monopoly of the whole of the refrigerated meat; it was the biggest firm of contractors.

1281. You did not supply, under that contract, I understand, any meat to Capetown?—No.

1282. Do you know what price they paid at Capetown?—I could not tell you that, because that contract was made previous to my arrival; I should say it would have been 6*d.*, probably. (Mr. Marzials.) I think it was 5½*d.*

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Mr. Goddard—continued.

1283. (To Colonel Richardson.) I suppose those contractors had to supply men just outside, a short distance from Capetown?—In what we call the Cape Peninsula, under their Capetown contract.

1284. Were you aware that the Navy was buying this frozen meat at 5½*d.* a lb.?—We are not told the Navy prices.

1285. Did you know, when you made the contract, what was being paid for the meat for the troops at Capetown?—Yes, it was with the same company.

1286. That contract was for 5½*d.* a lb., was it?—I do not say it was 5½*d.*; it was about that, I think. (Mr. Marzials.) I think it was between 5½*d.* and 6*d.*; 5½*d.* I think; it was about the same as the Navy contract.

1287. (To Colonel Richardson.) The proof that it was very reasonable for the War Office not to have understood that this contract included frozen meat is found in the fact that the contractors agreed ultimately to knock off 2*d.* in the pound in regard to all the frozen meat?—By the time the 2,000,000 lbs. was consumed or nearly consumed, I, through my General, had been communicating with the War Office regarding a contract for the supply of a much larger number of troops. We were going to have something like 200,000 troops out, and therefore, the 2,000,000 lbs. would only last some 10 days. We did not like to make such a large contract on the spot, and we cabled home to the War Office. By that time the War Office knew our contract included refrigerated meat, and they were making arrangements with one of the directors of the company, who was in England, and who was in cable communication with the directors out at Capetown, who were in communication with me, and I in my turn was communicating with the Director of Contracts at the War Office, through my General. On continuing the contract, which we virtually did, Sir James Sievwright, who was the representative of the company in England, agreed to take off 2*d.* for the whole of the refrigerated meat already supplied, and to consider it as one contract from the beginning, and the whole of the refrigerated meat was to be considered as if it had been supplied under one contract, but I knew nothing about that in Capetown until afterwards.

1288. In the contract which followed this one, was the price 9*d.* a lb.?—The price was reduced to 9*d.* for refrigerated meat.

1289. Do you know the price that is being paid now?—It is less than 9*d.* now, I understand.

1290. What would you consider the average cost to which the contractor would be put to convey that frozen meat from Capetown to the different places where the troops were. Did you consider that 3½*d.* per lb. was an exorbitant price?—I absolutely never considered that point.

1291. All he had to pay was transport, was it not?—Of course he had to arrange for the issue and

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and the keeping of the meat, and he had to pay a very considerable sum for demurrage for the trucks. He would send his refrigerator trucks up containing 20,000 lbs. of meat, and he would have to detain them perhaps for a week or ten days whilst the meat was being issued. The railway people were always coming to me and saying "Your contractor will not bring back his trucks." He had to pay the demurrage on the trucks and also for labour in taking the meat out and issuing it, and for any meat that went bad in the process of issue.

1292. If you could get meat in Capetown for 5½d., with the cost of having to handle it and keep it in the cold storage there, the additional

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charge of 3½d. was rather excessive for just the carriage up to the different parts of the country by railway, was it not?—You must remember that in the contract the price of fresh meat was reduced proportionately also. The lowest tender we could get the fresh meat was 1s. 1d., and it was reduced to 11d.

1293. Did the contractor lower the price of fresh meat 2d. a lb. also?—Yes, he lowered it from 1s. 1d. to 11d.

1294. But he did not knock off the 2d. per lb. on fresh meat, I mean what he refunded?—No, the fresh meat cost 2d. more.

[The Witnesses withdrew.]

Wednesday, 15th May 1901.

MEMBERS PRESENT :

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Cameron Corbett.

Sir Thomas Esmonde.
Mr. Goddard.
Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Mr. DOUGLAS CLOSE RICHMOND, called in; and Examined.

Chairman.

1295. THE Committee would be glad to hear your Report upon the question of the purchase and sale of Admiralty Stores in connection with the charge made by Mr. Fitzalan Hope?—Since the Committee entrusted this matter to me I have made inquiry, especially as regards the years which were referred to by the honourable Member who gave evidence; namely, 1898, 1899, and 1900. I understand that the allegation relates to what are known as Naval Stores. No Naval Stores can be sold except as the result of the report of a Board of Survey. Now the exact allegation which the honourable Member made is that, in one of the three years quoted, in the month of March stores were bought, as I understand, not for the purpose of being used for the public service, but to serve some ulterior purpose, because in the course of the following month, that is the month after that in which they had been acquired, they were sold as old stores. If I were to take the allegation precisely in the terms in which it is put I could say as a matter of fact at no one of the dockyards, at which these sales take place, did any sale take place in the month of April in any one of those three years. But, of course, it is not enough to take only that particular month; it might be a mere inaccuracy. The question rather is whether stores so acquired were shortly afterwards sold without having been brought into use. Now, as I have already mentioned, sales of Naval Stores can only take place as the result of a condemnation by a Board of Survey. All the reports of the Boards of Survey are brought before my officers. In respect of these three years all the reports of the Boards of Survey, with the exception of a very few, which had not yet come to hand, were examined in the ordinary course, and nothing at all analogous to what is suggested in the evidence of the honourable Member was discovered. Nevertheless, in the last fortnight, I have had a re-examination made of the whole of those reports (with the exception of a few that have not yet come in, which are only a

Chairman—continued.

very small number), and I am able to say that there is no trace, in any one of those years, in any of those Reports of such treatment of stores as is suggested in Mr. Hope's evidence. So far I have dealt with the allegation precisely as it has been made; but I presume the Committee would like to go a step further and consider whether, even although this particular charge in the particular form in which it is put is not sustained, anything of the kind could take place in the circumstances which surround the sale of Naval Stores. The sale of Naval Stores is governed by precise regulations; and those regulations are embodied in a form on which are entered the particulars of all Naval Stores which are brought forward for condemnation. The form is very complete. In the first instance, there is a column describing the stores, the nature of the stores, the quantity, the date at which they came into possession of the Admiralty, the contractors, whether the stores are new or serviceable, their value at the time; then their value as now estimated when being brought forward for condemnation; then there is the Report of the Survey, describing their present condition, whether they are deteriorated or whether they are repairable, how they should now be dealt with, and a general explanation of the deterioration and depreciation while on Store charge. That form is very simple and very easy to see; and it is signed by certain officers, first by the Naval Store Officer, who brings the stores forward for condemnation; then by the Surveyor of Stores, who is the expert who prices them; then it goes before an officer of the Accounts Department, who signs it also; then it passes to the Admiral Superintendent of the Dockyard; that is, so far, at the Dockyard; then the Report comes to headquarters, and it is minuted by the Director of Stores, and further by the Director of Dockyards. That is to say, every case of condemnation passes through some six hands, including some very highly-placed officials at the Admiralty. These precautions, which are taken in accordance with the regulations,

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Mr. RICHMOND.

[Continued.]

Chairman—continued.

tions, seem to me to be very complete and sufficient. But, even supposing it were possible that such an incident as is mentioned in the evidence had taken place, I have already mentioned that every one of these forms is minuted, as this one I hold in my hand is, and sent to the Audit Department, and every one of them is examined. They are very simple to examine; at a glance one can see the date of the stores; and, as a matter of fact, from time to time when we see that the interval between the purchase of the store and its being put forward for condemnation is very short, we raise a question. I have three or four instances here in the year 1899. To take one by way of sample (I will not describe the stores), our query is this: "As these stores had been on board" (these are ship's stores) "for six months only at the time of the survey it is requested that their apparently rapid deterioration may be explained"; then we get an explanation; in fact, in every case where we find a very short interval for use, we raise the question, unless the explanation on the form is adequate and sufficient. But if we raise the question when the life of the article has been unduly short, still more should we raise it if we found it had never been in use at all. I may safely say that no such thing as is here alleged could take place under the precautions and safeguards which exist under the Admiralty regulations without being brought to notice by the Comptroller and Auditor General. One thing only would I add: there is a suggestion in the evidence of the honourable Member that the motive for this transaction would be the attempt to influence Parliament as regards the Vote for another year. On that point I would only mention this; the total value of the Naval Stores for last year ending March 1900, was some 3,600,000*l.*; the total amount which was written off for depreciation during the year was slightly over 16,000*l.*; therefore any such manipulation as is here suggested must be within the limits of that 16,000*l.*, which itself is a mere drop in the ocean when compared with the 3,600,000*l.* which represents the total amount of the naval stores; therefore it would be an absolutely inappreciable effect which would be produced even if such a thing were done; and the motive suggested seems to me entirely to fail.

1296. I have only one question to ask you. Surely any purchase and sale of stores in March and April could not possibly affect the Estimates of the coming year, which are practically settled in the Department in the previous November?—Obviously that would be so. The Committee are aware that the Estimates for the coming year are prepared months before the current year is closed; in fact by the time the month of March is reached the Estimates for the coming year are already on the table of the House of Commons.

Sir Brampton Gurdon.

1297. I would like to ask you whether you do not think that in some cases although you have not found it there is or might be (and I understand that was all Mr. Hope suggested) some carelessness in buying stores by a fussy official

Sir Brampton Gurdon—continued.

who bought up a lot of stores which were very soon found to be unnecessary and not wanted, and might be sold again; and also whether the fact that there are a certain number of bad officials who do not like surpluses to be surrendered, but who like to spend their whole Vote, may induce some rather reckless and careless expenditure?—There is no doubt a tendency to spend money towards the end of the financial year. That is a matter that has often been noticed by the Public Accounts Committee of the House of Commons, and at different times the Comptroller and Auditor General of the day has called attention to what seemed to be remarkable expenditure of money in the month of March. In fact I think only two years ago this Committee took notice of a large expenditure by the Admiralty in the purchase of coal at the very end of the financial year, not that there was any suggestion that the coal was not wanted, but the objection was to spending this year's money for next year's want. That sort of thing has happened undoubtedly. But what is suggested here is a purchase and sale combined—that seems to me the gravamen of the whole charge, that the thing which is bought is not really wanted, but is to serve a different purpose than that for which it is ostensibly bought.

Mr. Gibson Bowles.

1298. I think you a little misrepresented what Mr. Fitzalan Hope said; you represented his charge as being that these articles were bought not for use, but for ulterior purposes; I think, if you will refer to his letter, you will find he did not state that; you may perhaps draw that inference, but that is not what he says, is it; have you his letter there?—I have not the letter; I have only the evidence.

1299. The letter appears in the evidence?—What I intended to say was, that I understood him to mean so. I know those are not the terms in which it is put, but I understand the honourable Member to say it was with the view to influence the Vote of the following year.

1300. Yes, but it is putting upon him a little more than he said to say that the articles were not bought for use; it does not necessarily follow that they were not bought for use at the time; what his letter did state was, that certain units were bought in March at 2*s.* and sold in April at 8*d.*?—That is the allegation.

1301. Therefore I submit to you he did not quite make that charge, although he may have suggested it?—What I had in my mind was that between March and April obviously there was no issue of these stores for any public purpose.

1302. Yes, but that does not necessarily suggest that they were not bought for use. It might be that they were bought for use at the time, but that for some reason or other they were sold before they were used?—I gave what was my inference from the letter, as it struck me.

1303. Your inquiries have been limited solely to Naval Stores, as I understand?—Naval Stores.

1304. How

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Mr. RICHMOND.

[Continued.]

Mr. Gibson Bowles—continued.

1304. How large a proportion of the expenditure of the Admiralty is represented by expenditure for Naval Stores?—The Ordnance Stores, of course, are the largest in value.

1305. Let us understand what you mean when you say "Naval Stores," do you include Ordnance Stores?—No, not Ordnance Stores.

1306. What did you include in your inquiry?—In reading the letter over, and seeing that these stores are described as bought at 2s. a unit and sold at 8d., it seemed to me not to apply to Ordnance Stores or to Victualling Contracts, but that it must be what are called Naval Dockyard Stores.

1307. Would you kindly tell me what proportion of the total expenditure of the Navy is upon Naval Stores, in the sense in which you use the term?—I have the values at the close of the financial year in round figures before me. For the year ending the 31st March 1900 the Victualling Stores were 1,300,000*l.*, Naval Stores 3,600,000*l.*, and Naval Ordnance Stores 11,100,000*l.*; the total, therefore, is about 16,000,000*l.*

1308. When you use the word Naval Stores, do you include Victualling Stores?—No, not Victualling Stores; Victualling Stores are mainly bought for issue to ships, and I do not think it would be possible they would fit the allegation that is made here.

1309. I think it is just the other way. Those Victualling Stores seem to me just what it would fit. Take, for instance, lamps. A lamp is just the sort of thing that might cost 2s.?—Would that be a Victualling Store?

1310. That is a Victualling Store, as I understand; it is certainly kept in the Victualling Department?—That is beyond my knowledge. I was not aware of that.

1311. What I want to come to is this: has your inquiry been such as that it would have been sure to cover the articles that might have been meant in this letter—I do not know what they are—or has it been such that it might have missed those articles?—I certainly have not in this rather short interval of time gone into the Ordnance Stores or Victualling Stores.

1312. I would suggest that the Victualling Stores are precisely the place in which I should have looked for these things; for instance, Victualling Stores include cups, saucers, bottles, glasses, and all things required for the table and for the kitchen; I should have thought a unit that cost 2s. would probably be exactly such an item as one of those?—I am not able to correct the honourable Member, but I was not aware that lamps and crockery came under the head of Victualling Stores; I may be wrong.

1313. I know, of my own knowledge, that they are kept in the Victualling Stores, therefore I presume that they are part of the Victualling Stores Department?—Of course that is a matter I could ascertain.

1314. I think you will find that is so; but now does it not suggest itself to you that it might be advisable to prosecute your inquiry a little further into, for instance, the Victualling Stores?—I am quite willing to do so if it is the wish of the Committee.

1315. That is not quite what I ask; does it

Mr. Gibson Bowles—continued.

suggest itself to you that it would be advisable, for you to prosecute your inquiry a little further as, for instance, into the Victualling Stores; I want to have your opinion?—Seeing the utter absence of motive, as it seems to me, to influence the suggested action in regard to Naval Stores, I am afraid it is likely I should come to exactly the same results with regard to any other stores; it is not worth anybody's while to attempt to influence the Vote by such manipulation as might conceivably be possible; still I am quite in the hands of the Committee.

1316. I still have not got your opinion. May I repeat my question. Does it occur to you that it might be desirable to prosecute the inquiries which you have had already made into the Naval Stores a little further, in relation to this allegation, as for instance into the Victualling Stores?—I shall be very happy to do so. I scarcely think any result will ensue beyond what I have already endeavoured to explain as regards the other stores, but I am entirely at the service of the Committee.

1317. But do you think it would be advisable or do you not?—I feel so confident that no result would issue from it but that I should come to the same conclusion as I have already come to with regard to the other stores, that the question in my mind is whether it is worth spending time upon it. I should be very happy to do it if the Committee wish.

1318. You do not wish to say whether you think it is advisable or not; is that it?—If it would satisfy the Committee I think it would be desirable.

1319. I gather in your opinion so far as the Naval Stores are concerned (and I understand it does not apply to anything but Naval Stores) you think they could not be sold without leaving some trace which you could detect?—I am quite sure of that.

1320. May I take it that that also applies to other disappearances; that stores could not, for instance, be stolen without your detecting it; may I assume that Naval Stores could not be stolen without your attention being called to it?—That I am not so sure of. I cannot say absolutely about that.

1321. You have adverted to the tendency to spend in March, at the end of the financial year, rather a larger amount of money than might have been expected, and you have said that in your opinion it is not due to any such motive as you think Mr. Hope suggested; but what is it due to in your opinion?—I was referring when I said that only to the particular allegation of Mr. Hope, which lies within a very small limit. There I do not think the motive could apply; but as to the other point, that, of course, is another matter.

1322. Do you think that the motive might perhaps apply to other expenditure in March of a larger amount than might have been expected?—It could not be to influence the Vote of Parliament in the ensuing year, as the honourable Member puts it, because it is too late for that.

1323. Then what do you think that tendency to spend more money than usual in the month of March is due; I think you said it has been called to the attention of the Committee that there

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Mr. RICHMOND.

[Continued.]

Mr. Gibson Bowles—continued.

there is a considerable tendency to spend more money than usual in the month of March?—That has several times been before the Committee. I suppose it is the natural feeling that the money is there. It certainly does not make for economy if a person has money which is legitimately spendable; I think it is the natural infirmity of man to be rather inclined to spend money which is available.

1324. You think that is the reason—it is the tendency to spend the money they have got?—Yes, with the belief that it can be done in the public interest.

Mr. Brodie Hoare.

1325. Are you aware whether Victualling Stores and Ordnance Stores are sold or dealt with in the same way as you have described with regard to Naval Stores?—I believe that is substantially the case. There is a similar form in all cases I believe.

Mr. Banbury.

1326. Am I right in supposing, when you say that at the end of the financial year in March certain money is spent, it is spent on things which are valuable things; you instanced coals; coal will always be used, and if it is bought in March it will be for the use of the public service that it should have been bought; it will be used eventually in the public service, and not sold again in April at a loss?—Quite so.

1327. There is no reason to suggest that the purchases to which you referred are made merely for the sake of making purchases, but it is merely that having the money and knowing that certain things will be wanted they are bought perhaps a little in advance of the time?

Mr. Banbury—continued.

Quite so, and possibly it might lead to a somewhat excessive purchase, something beyond what was found to be required.

1328. But these purchases will be used in the public service and will not be resold at a loss?—No, they are *bond fide* purchases.

Mr. Goddard.

1329. I would suggest whether the fact of the Estimates for the next year being made five months before the financial year really terminates is not the cause of the desire to make the expenditure as nearly as possible agree with the Estimate?—I am not sure that I catch the point of the honourable Member's question.

1330. My point is that the Estimates are proposed upon a general basis five months before you really know what you have spent in the year?—Yes.

1331. When you come near the end of the year if you find you have not spent the money, might not the fact that you have already made the estimate for the following year suggest the thought that you should spend a little more so as to make the estimate agree?—It is possible it may be so.

Chairman.

1332. The Committee think it desirable that you should be asked to examine the Victualling Store Accounts, which you have not yet examined, and to report to us upon those Victualling Stores, as fully as you have done with regard to the other stores, as to the safeguards which exist in their case, and so on; you will be able to do that?—I shall be very happy to do so.

ARMY APPROPRIATION ACCOUNT, 1899–1900.

Mr. ROBERT CHALMERS, C.B., and Mr. DOUGLAS CLOSE RICHMOND, called in; and Examined.

Mr. FRANK THOMAS MARZIALS, called in; and Examined.

VOTE 8.

ALTERATION IN METHOD OF ACCOUNTING FOR COST OF CLOTHING MATERIALS.

Chairman.

1333. (To Mr. Richmond.) In paragraph 22 in regard to the Clothing Department, I gather that there was a charge made in the way in which the Estimate was framed, but finding that a failure, the Clothing Department have returned to their former practice?—Quite so; the vote is not affected as a whole.

VOTE 9.

PRICE OF SADDLERY PURCHASED FOR THE RHODESIA FORCE.

Chairman.

1334. (To Mr. Marzials.) This paragraph 24 opens up the question of the contracts for saddlery; as I understand it, first came the con-

Vote 9.—Price of Saddlery Purchased for the Rhodesia Force—*continued.*

Chairman—continued.

tracts for the Army, then came the contracts for the Imperial Yeomanry, and last of all came the contracts for the British South Africa Company; of course that created a great deal of competition, and it appears that the price was run up from 6*l.* 9*s.* 6*d.* per set, which the War Office paid, to 8*l.* or 11*l.* per set which the Rhodesia Force charged the country for?—That is so.

1335. Could not that extra expense have been avoided if the Contract Department of the War Office had made the whole of the contracts, and the British South African Company had not been

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[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 9.—Price of Saddlery Purchased for the Rhodesia Force—*continued.**Chairman—continued.*

been empowered to make contracts for the saddlery for the Rhodesia Force?—There were very, very great difficulties at that particular moment. That was the particular moment at which it became absolutely necessary to send out a vast number of mounted men to South Africa, and the store of saddlery which the War Office possessed or had ordered, and the amount of stores which they could manipulate at Woolwich became quite insufficient to meet the demands of the forces improvised for the purpose of the war. The War Office, at that time, could not supply the saddlery for the Imperial Yeomanry, and they could not supply the saddlery for the Rhodesia Force.

1336. You could not supply them, you mean, from the War Office stores?—We could not supply them from our stores, nor even from any contract that we could make at that moment. I remember the circumstances perfectly well. The sudden inrush of demands for saddlery at that moment made it indispensable that we should really go into the highways and hedges to get saddlery for the troops which we were sending out.

1337. But it was not a matter of going into the highways and hedges, it was the South African Company making contracts for themselves?—The Director General of Ordnance, at that time, expressed his inability either to obtain saddlery, or to store it, and produce it for these additional forces. It was consequently necessary that they themselves should make the best arrangements they could. That in making those arrangements some additional cost was involved was, I am afraid, a fact, which, as it seemed to us at the time, and as it seems to me even now, was absolutely inevitable; it was impossible to avoid it.

1338. I believe most of the contracts came from Walsall; is it supposed that the War Office could not have employed additional people there or in other great saddlery towns for the supply, and not have allowed the Rhodesia Force to supply themselves?—That was not the opinion entertained at the time. The opinion entertained at the time was that we were obtaining for our own mounted troops in South Africa all the saddlery we could produce by contract. It was not merely a matter of obtaining the saddlery, but, of course, the people at Woolwich had to receive it, store it, supply it, and send it out. It is a matter of private supply as against public supply; the public supply both as regards the saddlery we could obtain and also the saddlery we could manipulate being at that moment exhausted.

Sir Robert Mowbray.

1339. Then where did the Rhodesia Force and the Imperial Yeomanry get their saddlery from if the War Office were unable to find it?—They obtained it from any private manufacturer

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ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 9.—Price of Saddlery Purchased for the Rhodesia Force—*continued.**Sir Robert Mowbray—continued.*

or contractor they could; they obtained it in all sorts of ways, in every way they could.

1340. Would not it have been possible for the War Office to do the same?—I do not think it was. We were obtaining for our own purposes all that we could. It must be understood as regards any force improvised in that way, apart from the ordinary course of public military administration, a certain amount of hurry and excessive charge is involved. I am afraid that is inevitable.

Mr. Blake.

1341. You say that you were obtaining all that you could; but that there was more to be obtained is proved by these other bodies obtaining more. Do you mean that you were obtaining all that you could in the regular way?—We were obtaining all that we could in the regular way, and beyond that we were obtaining all that we could inspect, manipulate, store, and issue.

1342. I see; you were obtaining all that you could handle?—That was so.

1343. But you might have obtained more if you could have handled more; it is shown that more was obtainable because these other bodies obtained more?—To that extent.

1344. The difficulty was in handling, I understand?—We had to go even beyond the confines of the United Kingdom to get it; we had to get some in Canada and some in America.

Mr. Cohen.

1345. One understands that this pressure of demand would enhance the price, but, personally, I do not quite understand the difficulty Mr. Blake called attention to; you do not need to store this saddlery, as I understand; what you wanted to do was to buy and dispatch it?—But buying and dispatching implies its being bought and sent to a certain place for inspection; it implies an additional staff for inspection, and additional handling to send it to the various Yeomanry bodies being formed not only near London but in every part of the Kingdom.

1346. How were those formalities superseded by getting an intermediary in the shape of the South Africa Company?—Because the South Africa Company purchased for themselves, and did their own inspecting and their own sending.

1347. Therefore you bought from the South Africa Company?—No; we paid the South Africa Company the expenditure they had incurred in connection with the purchase of this saddlery; we repaid them for what they had purchased.

1348. They supplied it to you, did they?—Not to us; it was supplied to themselves for the Rhodesia Force.

Sir Brampton Gurdon.

1349. As I understand, the handling was done by the staff of the British South Africa Company?—That was so.

1350. However,

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[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 9.—Price of Saddlery Purchased for the Rhodesia Force—*continued.**Chairman.*

1350. However, you say distinctly the War Office could do no better; it is clear there was a great additional charge through this competition, but you think it could not possibly be avoided?—I am afraid it was unavoidable under the very extraordinary circumstances of pressure at that time.

ARRANGEMENTS WITH THE CAPE AND NATAL GOVERNMENT RAILWAYS.

Chairman.

1351. (To Mr. Richmond.) In regard to paragraph 25, I see you say that you understand that a provisional statement of the charges and credits is being made; has any statement yet been received?—No, I have received no statement such as is there indicated.

1352. But you are anticipating an account of the relative transactions between the Imperial Government and the Colonies?—Yes; I think that matter must stand over in substance till next year. It is impossible for me to give you, at present, information of any value as to the relative transactions between the Imperial Government and the Colonial Government. We shall have the account, I hope, next year.

VOTE 10.

FRAUDS BY A FOREMAN OF WORKS, ROYAL ENGINEER DEPARTMENT.

Chairman.

1353. In regard to the irregularities which you refer to in paragraph 26, you are of opinion, I understand, that the rules were good enough, but they were not observed in the particular case of this fraud by a foreman of works?—Seeing that this fraud had occurred under them, I thought it fair to ask the War Office whether it was possible to adopt any further precautions; and, I understand, it is intended to look into the matter further, but I was not able to say that I thought the regulations were faulty. I merely asked the question whether they could be improved, seeing that they had been very much set at naught on this occasion.

Mr. Cohen.

1354. Have you received any reply to your enquiry whether they could be improved?—Not yet; I understand the report of a committee is awaited.

Mr. Gibson Bowles.

1355. (To Mr. Marzials.) Has the War Office taken any notice of the omission to perform this duty on the part of the Royal Engineer officer responsible?—There was some notice taken of it in the way of a reprimand, but there was no pecuniary penalty.

1356. But he was reprimanded?—Yes. I should explain that the whole of that subject is to be considered at the end of the war. This

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 10.—Frauds by a Foreman of Works, Royal Engineer Department—*continued.**Mr. Gibson Bowles—continued.*

transaction occurred just before the war, and the late Financial Secretary, Mr. Powell Williams, was of opinion that some enquiry might be made as to whether there could not be a more efficient check on the local claims for the amount of work done by contractors, and he proposed that a committee should sit for the purpose of investigating the whole matter. That was agreed to by Lord Lansdowne, but the office has been so busy that the matter has not been gone into, but it will be gone into as soon as there is leisure.

Mr. Banbury.

1357. I presume there is no reason to suppose the contractor knew anything about the fraud, but I see the Comptroller and Auditor General observes the second irregularity mentioned by the Comptroller and Auditor General is that "the returns of workmen employed were not rendered by the contractor to the Royal Engineer Department"?—It was a matter which was extremely fully enquired into by the Committee of the House of Commons on War Office Contracts last year. They had this contractor up and examined him at very great length about it. He denied all knowledge about this fraud; he put it more or less upon the employé who was dismissed. But the Director of Contracts was not satisfied with his explanation, and he was struck out of the list of contractors for the year.

Mr. Gibson Bowles.

1358. The Royal Engineer officer was not struck off the list of Royal Engineer officers for the year?—No.

1359. But he was the person responsible for the possibility of perpetrating these frauds, was he not?—No, I do not think quite that; I do not see that the Engineer officer can be absolutely made responsible for the signing of a document, of which he knows nothing, by some other person, that document being accepted by the contractor without the officer's knowledge. There might have been some general laches about the office which had not enabled him to detect a fraud of that kind; but directly a subordinate resorts to falsification of a document it does not always necessarily follow that the employer must know of it.

1360. Do you think that the statement made by the Comptroller and Auditor General that the course pursued by the fraudulent man "was rendered possible by reason of two irregularities, viz. (1) the orders on the contractors' cashier were not signed or initialled by the Royal Engineer officer; (2) the returns of workmen employed were not rendered by the contractors to the Royal Engineer Department"; do you concur in that?—Yes.

1361. Then is it not the fact that the fraud was rendered possible by the omission of the Engineer officer to sign or initial the orders?—The Engineer officer would be responsible, if that document ever came before him, for not signing
and

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[Continued.]

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Vote 10.—Frauds by a Foreman of Works,
Royal Engineer Department—*continued*.Mr. Gibson Bowles—*continued*.

and not looking at it; but if a subordinate manufactures a document, of which the Engineer officer knows nothing, and sends that document in to the contractor, whose maleficent subordinate accepts that document and pays thereupon, the responsibility of the officer is naturally remote.

1362. (To Mr. Richmond.) May I ask whether you mean by this statement in the report that there was a practice of not initialling these documents as they should have been initialled by the Engineer officer?—I meant that in that particular instance the precaution was omitted.

1363. You do not mean that it was the practice in these works to omit the precaution?—I mean no more than that in the particular case I have reported upon it was omitted.

1364. But, as Mr. Marzials points out, this Engineer officer could hardly be held responsible for this omission, because the document was never brought before him?—I quite understand that, and I have not attempted to apportion the blame or to say whether the Engineer officer was at all at fault. I merely state the fact brought out at the Inquiry that that which ought to have been done was omitted.

Mr. Banbury.

1365. (To Mr. Marzials.) I understand you to say that Messrs. Martin, Wells, and Co., the contractors, were struck off the list for the year?—Yes.

1366. Messrs. Martin, Wells, and Co. are doing work now at Wellington Barracks, are they not?—So far as my recollection goes they were struck off for the year. I am not quite sure whether they were allowed to continue the works they were upon. They were afterwards struck off again.

1367. Are you aware that they are now doing work at Wellington Barracks?—I was not aware of that. Whether they were allowed to continue at such work as they were on I do not know. Then they were again struck off the list afterwards; I imagine if they are doing work at present it must be in respect of work begun before they were struck off.

1368. Messrs. Martin, Wells, and Co. are now doing work at Wellington Barracks, and my impression is that those works have only been begun about six or seven months; perhaps you would ascertain how that is?—I will make enquiry and give the information next time, but my information was that they had been struck off for the year; and afterwards, the year having expired, they were struck off for another year, but how far that might affect any contracts they were engaged upon at the time they were struck off I do not know.

Chairman.

1369. Perhaps you will make enquiry with regard to that, and let us know?—Yes.

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ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 10.—Frauds by a Foreman of Works,
Royal Engineer Department—*continued*.

Mr. Austen Chamberlain.

1370. You say they were struck off for one year?—That was so.

1371. If I correctly understand therefore during that year they took no fresh work?—That was so, unmistakably.

1372. Then what were they struck off for another year for?—I have forgotten what the transaction was; it was not in regard to this transaction but another transaction.

1373. Was it in respect of some misdoing upon their part in regard to work under a current contract which had not been suspended?—I am afraid I cannot say whether it was in respect of that contract or in respect of a new contract; anyhow, there was some reason irrespective of this transaction for which they were afterwards struck off.

1374. If a contractor was struck off twice in the course of two years, would the War Office think it right to put him back again?—I should not like to give you an absolute reply to that question. I should imagine, probably, that if things reached that stage it would be desirable to knock him off altogether but I cannot say, for certain.

Mr. Blake.

1375. You have explained already clearly that it does not necessarily follow that with regard to the first irregularity mentioned here the Royal Engineer officer was responsible at all; but the second irregularity wants a little explanation, I think; that irregularity is that "the returns of the workmen employed were not rendered by the contractors to the Royal Engineer Department as prescribed by the conditions of contract." I presume the conditions of contract prescribe certain returns to be made to the Royal Engineer Department, and that the doing of something more connected with the payment of money was dependent upon those returns being received by the department, and that they were not received, that would seem to imply neglect on the part of the department?—I think there must have been neglect in the department without question: what happened in this case I think was that the returns which should have been prepared by the contractor were, in fact, prepared by this foreman of works in the Engineer office itself, that instead of the bill coming from the contractors the foreman of works himself prepared that bill, that, of course, being absolutely wrong; but to what extent that could have been known in the Engineer office apart from this particular transaction I am afraid I cannot say.

1376. You think it was a case of the wolf guarding the flock?—That was about it, I suppose.

On VOTE 10.

WORKS, BUILDINGS, AND REPAIRS.

Mr. Goddard.

1377. On Vote 10, I want to ask you with regard to certain works which appear in Paper No. 8 on pages 90 to 103. There is a long statement

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continued.

Mr. Goddard—continued.

ment there of expenditure, showing all the cases where there is an excess on the total amount voted; as I make it out there are something like 37 cases of excess in that list. Some of these differences are very great; some of them amount to more than a quarter of the whole amount asked, and in one case it is as much as a third more than the amount asked. What is the cause of these great divergences between the actual cost of the work and the estimate for it?—That is very difficult to say.

1378. Perhaps it would be easier to explain if I took some particular cases?—I am afraid, as regards any particular case, I can give no more answer than is given in the correspondence printed here, but if you like I will give you such general information as I can.

1379. May I suggest some reasons for the difference. Is not one reason that the plans are very frequently considerably altered after the estimate has been already given in?—That is one reason, no doubt. I think the initial reason is that the first estimate for these services is put forward at too early a date. It is put forward when the first notion, as it were, of the work comes into conception; it is not worked out when the service itself has been approved. The districts make out their plans of the various works; they submit those to the War Office in August or September; they are considered at the War Office, and then a schedule of them is placed before the Secretary of State; he selects from the various services proposed those which he thinks ought to be submitted to Parliament for carrying out; then directly they have been introduced into the Estimates a detailed estimate is worked out at the station; but that detailed estimate modifies very often, to a considerable extent, the estimate originally made. At the same time I am quite prepared to admit that I do not think full care has been taken in the original making of the estimates to see that the prices corresponded with the prices that might be existing at that time; they have been too frequently, I think, estimated on prices existing at an anterior period, and not actually brought up to date. It is a matter which the War Office itself have considered, and which has been discussed between the War Office and the Treasury at various times.

1380. I may ask your attention to Letter No. 40, on page 176, from the Treasury, in which they say "In their Lordships' opinion it is of great importance that estimates of cost submitted for Parliamentary sanction should be such as the House of Commons can accept as final; and that the work should be executed, unless, under special circumstances, such as are not represented in the present case within the period indicated to Parliament on the face of the estimate; the Secretary of State will observe that these conditions of finality and promptness of execution hardly appear to have been appre-

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Vote 10.—Works, Buildings, and Repairs—
continued.

Mr. Goddard—continued.

ciated by the War Department in the present case." I want to know whether the War Office are really taking any steps to prevent the recurrence of these excesses for which they got a so well-deserved (as I think) rebuke from the Treasury?—I am afraid that I cannot say that it was an ill-deserved rebuke.

1381. Is anything being done to alter it?—Yes, a great deal has been done; we are trying, I think I may say, all we know, especially from the finance point of view of this matter, to impress upon the executive branches connected with these engineering services the necessity of greater accuracy in their initial estimates; and they have promised that so far as they can they will do all they can to remedy it, and to see that the original estimates are made more in accordance with the final fact. Of course, as regards a great many of the services, there is very considerable initial difficulty in finding out what the ultimate charge will be. As regards all such services as sanitation or the remodelling of drains or anything of that kind they always say frankly, any estimate we make as to expenditure of that kind must be uncertain. But I am prepared to admit, as regards a great deal of this expenditure, I do think something more accurate might be arrived at at the initial stages; and in so far as in me lies, I will do all in my power (as indeed I have done before, and as all the Finance Branch have done) to try and impress upon the executive branches the necessity of seeing that these services are more accurately estimated.

1382. There are several items in Vote 10 to which I might refer: the first one is Item M., Army Ordnance Buildings, on page 44; that was a sum of 88,290*l.*, which included 25,000*l.* for the revision of Army Ordnance accommodation in Ireland, was it not. May I refer you to letter No. 21 on page 170. On 2nd May 1899 the War Office wrote to the Treasury: "With the view of carrying the independent inspection of the clothing manufactured in the Royal Army Clothing Depot, Pimlico, to which system Lord Lansdowne attaches the highest importance, and which it is now decided to introduce, it is necessary to provide additional accommodation at that establishment for the purpose. This can best be accomplished by raising the height of a portion of the existing buildings at an estimated cost of about 6,000*l.*, "but no provision was made for this unforeseen requirement when the Estimates for 1899-1900 were prepared. As the progress with the construction of the Army Ordnance accommodation at the Curragh is impeded, owing to the sites not being at present available, pending the completion of barracks which would allow of the huts being removed from the ground required for extension of the Army Ordnance establishment, the sanction of their Lordships is asked for the immediate commencement of the Pimlico service

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[Continued.]

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continued.

Mr. Goddard—continued.

service, for which savings to be effected on Vote 10 generally would be applied. A sum of 6,000*l.* of the Part I. item of 25,000*l.*, 'Revision of Army Ordnance accommodation in Ireland,' would then be ear-marked for this until other savings can be allocated, if it is ultimately found that more than the balance of 19,000*l.* left on the item can be expended during the year." Does that bring the matter back to your mind?—Yes.

1383. I want to ask what is the explanation of that, because it appears to me that what it really means is this: here is money voted for a special purpose, namely, "Army Ordnance Accommodation in Ireland," and without any reference to Parliament or giving Parliament any opportunity of criticising the matter the War Office withdraws 6,000*l.* from the Vote and uses it for a totally different purpose in regard to the Royal Army Clothing Depôt at Pimlico; is not that so?—I think it has been recognised that where any service of immediate importance arises during the year it is eligible for the War Office, with the consent of the Treasury, to make such divergence of sums as may be necessary. The Estimates are framed some three or four months before the year begins. It is difficult to suppose that within the next ensuing 15 months circumstances may not arise which may necessitate some alteration in the allocation of the funds. In this case the money was expended on a service of a fairly analogous character.

1384. Would you say that the Royal Army Clothing Depôt, Pimlico, and the revision of Army Ordnance accommodation are of analogous character?—These Ordnance Buildings are buildings in which clothing and ordnance stores are stored. The position which has been claimed hitherto, not, I think, unreasonably, and which the Treasury have accepted, and which I think the Public Accounts Committee has also accepted, is that if a real necessity arises within the year, such a necessity as can be made clear to the Treasury, for a different allocation of a specific item in the Works Vote to some other purpose, that is an admissible re-arrangement.

1385. Was there any such necessity ever made out for the prompt expenditure of that money which could not wait until the next estimates came out? You will admit that I am perfectly correct that this 6,000*l.* has been expended without any opportunity of Parliament criticising it?—That is so.

1386. It is a question of the irresponsibility of the War Office in dealing with the moneys at their disposal, that is the point?—It is an allocation to an analogous purpose.

Chairman.

1387. You are entitled to do that in regard to things in the same Vote with Treasury sanction, are you not?—That has hitherto been the accepted doctrine.

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Vote 10.—Works, Buildings, and Repairs—
continued.

Chairman—continued.

1388. (To Mr. Chalmers.) The Treasury gave their sanction, did they not, in this case?—They did, regretting that the requirement was not foreseen a month or so before the date of that letter. The Treasury is reluctant to give its assent to the transfer of moneys from the purpose for which Parliament had voted the money to another purpose, and it always requires that a case should be made out, but the Treasury is bound to accept the statement of the responsible minister that the service is one which is of urgent importance, and therefore should take the place of services which had been thought important, but are not now considered to be so important. But it is, as I say, with reluctance that the Treasury gives assent to a diversion.

Mr. Herbert Lewis.

1389. I presume that reluctance on the part of the Treasury would be increased according as the new expenditure is or is not analogous to the original purpose for which it was voted. In this case it was transferred from the Army Ordnance Buildings in Ireland to the Army Clothing Establishment in Pimlico. (To Mr. Marzials.) Apart from the difference of geographical situation, do you not think that the purposes for which those establishments are held are very, very different?—Not entirely different. The Army Ordnance Buildings are occupied to some extent with clothing; they are wanted for the storage of clothing; and the alteration of the Pimlico establishment was to give accommodation for the Inspection Department, with a view of getting the inspection of the clothing out more rapidly. The purposes are not exactly the same, of course. If it had been the same thing there would have been no necessity for troubling the Treasury for their consent.

Mr. Goddard.

1390. The next item to which I wish to refer is item in Sub-head N. "Barracks"; there is an item there of 1,200*l.* for a drill shed at the Royal Military Academy, Woolwich. A letter was written from the War Office, which appears on page 181, No. 58, saying, that owing to the increased number of cadets, more housing accommodation was necessary, and asking to be allowed to drop the drill shed, and devote the 1,200*l.* to the building of 20 huts; and the Treasury agreed, reluctantly also in this case I think; but there is a sequel to it. On December 15th, another letter was written by the War Office, saying that the cost of the 20 huts would be 1,874*l.* instead of 1,200*l.*, and asking for sanction for the extra expenditure of 674*l.* I understand the explanation the War Office gives is that the estimate was based upon a schedule of prices three years old; is that really the fact?—That was so as a matter of fact. The local estimate was an estimate produced not upon the existing prices but upon a triennial contract.

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[Continued.]

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Vote 10.—Works, Buildings, and Repairs—
continued.

Mr. Goddard—continued.

contract which had been in existence for some two or three years before.

1391. Who is responsible for drawing up an estimate based on a schedule of prices three years old?—The local commander of Royal Engineers.

1392. You have observed, of course, that the Treasury, when they consented to it, did so very reluctantly, and they said in their letter that “an estimate submitted as recently as the 29th August should not have proved inadequate in December by no less than 56 per cent.”?—Yes.

1393. May I ask if you are still working upon that kind of schedule, a schedule three years old?—We are endeavouring, so far as possible, to work upon the last existing prices. Directions have been given in all circumstances not to work upon the prices of the triennial contracts, but to see how far the prices correspond with the local prices obtaining at the time in the building trade.

1394. Surely it is perfectly easy to get a fresh set of prices every year as every ordinary business man does?—The contract is made for three years; the contract is not made every year.

1395. If the three years' contract leads to such inaccuracies as this, why do you not drop the three years' contract and go in for a one year contract?—They are generally triennial contracts.

Mr. Blake.

1396. I suppose this case was outside the contract altogether; you merely used the schedule in a contract nearly three years old as evidence as to the prices upon which you would be able to contract for services of an analogous character not covered by the contract?—Precisely.

Mr. Cameron Corbett.

1397. Having regard to the fact that the prices had risen so much in the interval, there would surely be an advantage in taking a three years' contract?—It might be regarded in that way.

Mr. Blake.

1398. It seems to me from what you said just now, as if it was the habit of the Department to accept without revision or consideration the local estimates coming in from the various parts of the country. Is there any sort of effort made to see that they are correct?—The Royal Engineers Department at the War Office is supposed to give some general revision to these contracts, but I do not think they go into all the figures again; I think they have mainly trusted to the local prices sent up. But effort has, I say, been made to secure that the local prices so sent up correspond with the local prices obtaining in the building trade when they are sent up. I should like to explain that this cadet question really illustrates what I said just now as to the necessity of making alterations during the year.

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Vote 10.—Works, Buildings, and Repairs—
continued.

Mr. Blake—continued.

During this year it became necessary to have a very large number of cadets at Woolwich, and it was necessary to provide accommodation for them. That had not been foreseen in the previous December or January when the estimate was framed, therefore it became, with Treasury consent, necessary to apply other funds, so far as one could, towards that necessity that had since arisen.

Chairman.

1399. I think the Committee see that?—That is the case.

Mr. Goddard.

1400. There is one other point I wish to refer to, and that is Hounslow Barracks which is under the same heading; in Letter No. 70, on page 183, the War Office wrote asking for Treasury sanction for an excess of 1,342*l.*; the original estimate was 6,500*l.*, and then it rose to 7,663*l.*; later it became 9,750*l.*, and then permission was asked to increase it by this sum of 1,342*l.* making the total cost of the work 11,092*l.*, or about 70 per cent. increase on the original estimate; I notice in the letter of the 8th of December 1900, on page 184, the Treasury complain “that although no provision had been made for the service by Parliament in 1899-1900, a payment of 1,000*l.*, to the contractor, was made without first obtaining the authority of this Board in partial settlement of claims for compensation and for work done” without Treasury sanction; was that the fact?—That was so.

1401. Who is responsible for making this payment of 1,000*l.*?—I really do not remember exactly what individual in the War Office was responsible for it. It seems to have been a proper payment enough.

1402. Without Treasury sanction?—No. It was not proper without Treasury sanction, but as regards the propriety of the payment I think there was no question.

1403. But the real question is whether the War Office can make payments for an immense excess over estimate without Treasury sanction; does the War Office claim it has a right to do that?—Oh, no, the War Office does not claim it has a right to do that.

1404. I see the Treasury did sanction the increase of the contract on the understanding that some inquiry would be made by the War Office into the circumstances of the increase; may I ask whether that inquiry has been made?—That inquiry was made, and the answer to it was that, as regards any old buildings like Hounslow Barracks, the difficulty of forming any correct estimate as to what drainage would be required, and as to the amount of drainage work that would have to be renewed or corrected or transferred or altered, was so great that it was impossible at the time of the original conception of the work to know what it would cost.

1405. May I ask who does that work in the War Department; because I see in your letter
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[Continued.]

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Vote 10.—Works, Buildings, and Repairs—
—continued.

Mr. Goddard—continued.

of the 3rd of December last that is not what is stated. It is stated that the levels were rearranged, and the whole surface drainage system was reconstructed. As to things like that, any engineer would be able to see what is wanted from the first, would he not?—No, I should think not. I imagine, from the information supplied to me (I am not an expert at all), that the reconstruction of the drainage was a matter of some considerable intricacy and difficulty, and in the initial stages they did not know what they would have to do, and what they would not have to do, and the result merely came out as they pursued the work, and then the original conception proved to be inadequate.

1406. (To Mr. Chalmers.) I will only ask you on this point if the Treasury are now satisfied that there was real necessity for this enormous increase of 70 per cent. upon the original estimate?—The Treasury have to take the facts from the War Office.

Mr. Austen Chamberlain.

1407. I understand your view to be that that is a point upon which the Treasury cannot pretend to be experts?—That is so.

1408. Upon which the Treasury therefore would be guided by the opinion of the Department concerned?—Yes, and would regard the Department as responsible for the explanation.

1409. But what the Treasury took special exception to in this case was this payment having been made without Treasury sanction having been obtained beforehand?—Yes, it was a diversion of Parliamentary funds to a purpose for which Parliament had made no provision whatever; that is a function which is essentially a Treasury function.

Mr. Goddard.

1410. Did you get a satisfactory explanation of that?—I do not think we had a further reply from the War Office. (Mr. Marzials.) I do not think we wrote again. We made inquiry at the War Office itself, but we had not been asked for an explanation by the Treasury, and I do not think we wrote again. It is admitted on all hands that with regard to the expenditure of the 1,000*l.* in that year, being made without Parliamentary provision and without Treasury sanction, there was a mistake.

On VOTE 12.

COMMISSION TO BANKERS.

Chairman.

1411. (To Mr. Chalmers.) I suppose you consider that this considerable increase referred to in paragraph 27 from 520*l.* a year to 7,399*l.* represents a fair commission to the bankers for the great expense they were put to in bringing out specie for the purchase of mules and horses for the war, and for the transfer all over the Cape?—That is so. It is a matter that has

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Vote 12.—Commission to Bankers—continued

Chairman—continued.

received a great deal of attention at the Treasury, and these were the best terms that we could make. We were locally advised, in addition to our inquiries here, that no better terms could be made. The Committee will remember that the transactions were on a very enormous scale; and it was not everybody who was in a position to supply us; and regard being had to the magnitude of our requirements and the difficulty of the case, the Treasury thought that this was the best bargain that could be made.

Mr. Goddard.

1412. (To Mr. Marzials.) May I ask you one question with reference to Sub-head L, "Medals?" The sub-head here is exceeded by 2,000*l.*, and I notice that the deficit is ascribed as being "due mainly to the issue of a medal during the year to members of the Canadian Militia Force employed during the years 1866-1870." Are those medals really issued a quarter of a century after they have been earned?—They were issued, as the honourable Member may recollect, as the result of discussion in Parliament.

1413. At any rate that is the explanation of the excess?—That is the explanation of the excess.

Mr. Cohen.

1414. (To Mr. Chalmers.) May I ask one further question on Vote 12? In the third paragraph of the Report on that Vote it is stated that "an expenditure of 55,618*l.* 4*s.* 10*d.* was incurred in connection with the Army services at the Cape and Natal. Under normal conditions the cost of this service in South Africa averages about 520*l.* per annum, and arises solely on account of the transfer of money from the Cape to Natal, for which service the Standard Bank of South Africa makes a charge of $\frac{1}{4}$ per cent." That seems a very reasonable charge; but what I wanted to ask was, is any account rendered of the amount of money which is transferred, because a $\frac{1}{4}$ per cent. amounting to a figure of 55,000*l.* represents 22 millions sterling. I do not say that that did not pass, but have the Treasury any means of checking what did pass?—Yes, every penny.

1415. Therefore, when this $\frac{1}{4}$ per cent. is charged, an account is rendered showing that 22 millions sterling, or whatever was the proper figure, was the amount of money that was transferred?—Yes, we know every penny that is transferred. But I may point out that the $\frac{1}{4}$ per cent. (as I understand the Comptroller and Auditor General's paragraphs, and such understanding is in accordance with the fact), represents the usual procedure before the war.

1416. Then I may take it that this charge of $\frac{1}{4}$ per cent. is not the charge that was levied by the bank on this occasion?—No, it varied according to the district and according to the amount of trouble to get it to the different districts. There was a scale of expenditure which ran up to 1 per cent. in some places.

1417. Whatever

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1417. Whatever the charge is an account is rendered of every penny that is expended?—Yes, every penny.

Mr. Goddard.

1418. The 66,000*l.* which is mentioned in the second paragraph of the Report was provided for, I presume, in the Treasury Chest Vote?—Yes.

1419. Then why does Sub-head J. exist; why is that 7,400*l.* in Sub-head J. taken away from the Treasury Chest Vote?—Perhaps Mr. Marzials will prefer to explain it as regards his sub-head. (Mr. Marzials.) The transfer of the money to the Treasury Chest or to the sub-Treasury Chest comes within the Treasury purview, but the transfer from the Treasury Chest to any of our Army officers comes within the War Office charge. That is the distinction between the two charges.

1420. That has always been the rule, has it?—Yes, it is a very old standing rule.

1421. Have you always had this Sub-Head J.?—Yes.

1422. Has it always been of a very trifling amount before?—It has not been a large amount. It is a very small amount in normal years. The rule is that as regards the transfer of money to the Treasury Chest or to a sub-Treasury Chest that is a Treasury charge; but that as regards any exchange occurring from the Treasury Chest to the Army accountants that is a War Office charge.

PROCEEDS OF CAPTURED STORES.

LEVIES ON REBEL FARMS.

Chairman.

1423. (To Mr. Richmond.) With regard to paragraphs 28 and 29, I understand you found it necessary that there should be two accounts made out in regard to these sums, the one being carried to Appropriations in Aid, under Sub-Head P., being the proceeds of captured stores, which could be sold and got rid of; and the other sum in respect of levies on rebel farms upon which there would very likely be a charge subsequently, being carried to a Suspense Account?—Yes, the first being a final matter, and the latter a matter in suspense. I saw no reason why the first should not be dealt with finally in the account.

On VOTE 14.

SPECIAL WOUNDS PENSION FOR SERVICE IN EGYPT.

Chairman.

1424. (To Mr. Marzials.) This question of Pensions to British Officers wounded while serving in the Egyptian Army will, I understand, be dealt with by the Egyptian Government in future?—That is so. For political reasons it was thought to be undesirable to ask the Egyptian Government to re-open the question

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Vote 14.—Special Wounds Pension for Service in Egypt—*continued.**Chairman—continued.*

of this particular officer which had been settled; and therefore the English Government undertook the charge in this particular case. But arrangements have been made with the Egyptian Government under which future charges of a similar kind will fall upon Egyptian Funds.

VOTE 15.

DISABILITY PENSIONS TO MOBILISED RESERVISTS.

Chairman.

1425. (To Mr. Marzials.) I understand from paragraph 31 that mobilised reservists are for the future to be allowed to claim disability pensions?—They are to be allowed to claim within the ordinary rule relating to the Army at large.

1426. But as regards the particular case referred to in this paragraph, it appears from the Treasury letter there was a very serious breach of the regulations by the Commissioners of Chelsea Hospital?—First, a breach of the regulations by the Commissioners of Chelsea Hospital in giving the pension, because the warrant did not cover it; and the Treasury also took exception to the faculty Chelsea had exercised in giving it in certain specific cases; that is to say, the Treasury thought the Commissioners had no right to give a pension at all, and secondly, that if they had the right to give it they had given it in a wrong case.

QUARTERMASTER GENERAL'S FUND.

1427. (To Mr. Richmond.) I understand the Quartermaster General's Fund has now been handed over altogether to the Patriotic Fund Commissioners?—That is so.

1428. The fund consists of 2,500*l.*, and I believe it originally arose from funds realised by the sale of stable refuse at the Cavalry Camp at Windsor a great many years ago?—Yes.

1429. There was only one pension that existed in regard to that fund, and that was taken over; and now the Patriotic Fund Commissioners may apply that money with their other funds?—That is so.

Mr. Blake.

1430. (To Mr. Marzials.) The Comptroller and Auditor General reports: "I am not informed how this fund escaped inquiry and remained for so many years without record in the books of the War Office." Can you tell us how that occurred?—The fund has existed as you see for a very very considerable amount of time, and it was supposed not to be a public fund at all, but a private fund. Directly one went into the origin of it, it transpired that in its original inception it had been (so far as we could judge going a hundred years back), the proceeds of public money, and therefore it was a public fund. But that question was never enquired into during all those years; for generation after generation

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*continued.**Mr. Blake—continued.*

tion it had been regarded as the private fund of the Quartermaster General, and every successive Quartermaster General had administered it at his own discretion absolutely, and never gone into the question of its origin.

1431. They had administered it without any reference to public responsibility?—Yes, and without any audit.

1432. Has there ever been any audit as to the old administration?—I do not think there has been any audit of the old administration. So far as I know sums have been spent out of it occasionally for giving a donation to some soldier's widow, or sometimes for purchasing books which were considered to be for the use of the Quartermaster General's Branch; books on geography and things of that kind. The expenditure was very low; it has never amounted to the income.

Chairman.

1433. It will be closed now, I understand, and transferred to the Patriotic Fund Commissioners?—It has now completely gone away from the Quartermaster General and from the War Office, and has become part of the Patriotic Fund.

Mr. Gibson Bowles.

1434. Are there any other funds of this sort?—I think there two, one called the Duke of Cambridge's Fund, and there is another, the name of which I forget. They are funds which do not come before me in any sort of way. They are funds of a private character and differing from this inasmuch as the origin of this fund, so far as one could make out, was public money, and the origin of these other funds was not public money. They are both being inquired into at the present moment by the Joint Committee of the House of Lords and the House of Commons, which is going into the question of the funds available for the relief of the widows and children of soldiers and sailors.

NEW SUB-HEADS.

Chairman.

1435. With regard to the case of the "Lusitania" which is mentioned in paragraph 33, it appears that the Imperial Yeomanry Committee were given leave to engage transports for their own force. They engaged, I think, five, but one of them, namely, the "Lusitania," was declared by the Admiralty to be unsuitable for the conveyance of troops. Then an arrangement was made by which 4,890*l.* had to be paid for the cancellation of the charter of the ship, being one month's hire for the ship. Was it not a very unwise proceeding to allow the Imperial Yeomanry Committee to engage transports for their force; would it not have been much cheaper if the Admiralty had done it?—That was part of the arrangement made at the time with the Imperial Yeomanry when they were first formed. They

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were first formed in a great hurry and the idea was that they should relieve the War Office and the Admiralty (who were at that time in a condition of great pressure) by making their arrangements themselves. It is somewhat the same kind of thing as their supplying their own saddles. They were to make all these arrangements and to plant out the Imperial Yeomanry at the Cape independently of the War Office. The arrangement did not altogether turn out well, as is shown in this particular case, and this payment had to be made.

1436. It is hardly a parallel case to that of the saddles, is it, because you said in the case of the saddles the War Office could not obtain the saddles; but in this case the Transport Department of the Admiralty could easily have obtained a ship, and it did do so afterwards when the "Lusitania" failed?—It could have been done no doubt. It was part of the original policy of making the Imperial Yeomanry a self-supporting and self-sustaining force. As it turned out there is no question that it would have been better if the Admiralty had made the whole arrangements.

1437. The result being that the country will pay this fine of 4,800*l.*?—That is so.

Mr. Blake.

1438. You say that it was part of the policy of making the Imperial Yeomanry a self-supporting and self-sustaining force?—Yes.

1439. The understanding being that the Committee would see that the funds were provided by voluntary subscriptions, and so forth, and that therefore they would spend the money themselves?—No, I do not think it was ever supposed that the Committee would do the whole of the finance. They were supposed to get funds to do a portion of it, but it was not supposed that they would do the whole of it.

1440. They were not to be a self-sustaining force then?—Not absolutely as regards their funds; that was never the idea, I think.

Mr. Banbury.

1441. Is there any reason why the "Lusitania" was not examined before she was engaged instead of after she was engaged?—Neither the War Office nor the Admiralty had anything to do with the engagement of the "Lusitania." She was engaged by the Imperial Yeomanry Committee, and having been engaged was found unfit.

Mr. Austen Chamberlain.

1442. She was found unfit after the sea transport arrangements had been taken over from the Committee; that was the statement in the letter, I think; would you kindly look at the Treasury letter on page 166. "I am directed to request you to inform the Marquess of Lansdowne that in view of the fact that it was owing to the action of the Admiralty in declining the vessel after the sea transport arrangements had been taken over from the Committee that the Committee was obliged

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obliged to pay one month's hire, or 4,890*l.*, for cancellation of the contract." Am I right in understanding that that correctly represents the facts?—Yes.

1443. The Yeomanry Committee were first allowed to make these arrangements; then it was found desirable to transfer the making of them to the Admiralty, and when the Admiralty had taken over the making of the arrangements it refused to take over the contract for this particular ship?—That was so, the ship not being adequate for the purpose for which it had been taken.

COMPENSATION TO CONTRACTORS.

Mr. Herbert Lewis.

1444. I wish to ask a question with regard to the compensation paid to certain contractors in connection with the withdrawal of the Mark IV. cartridges; can you tell me how many of those cartridges were manufactured in all?—I am afraid I do not know at the moment.

1445. Can you tell me why those Mark IV. cartridges were broken up?—The Mark IV. cartridge was a cartridge which contained lead in the centre and a sheath of metal round it; and in the original trials of the Mark IV. cartridge the bullet acted quite properly, and came out of the rifle as a whole bullet; but when in use it was found that after the rifle had shot a certain number of times it got fouled, and the lead in the centre of the bullet came out faster than the sheath which held it, and therefore it splintered, and was squirted out, instead of coming out as a whole bullet.

1446. The cartridges were, as a matter of fact, in accordance, I suppose, with the specification furnished to the contractors?—Yes.

1447. There was nothing unsatisfactory about the actual manufacture?—The manufacture was to pattern.

1448. Who were the contractors who manufactured those cartridges?—There were several of them: the King's Norton Metal Company, Messrs. Greenwood and Batley, and Kynoch's, and the Birmingham Metal Company; but there was nothing whatever against the contractors in the matter.

1449. The question has been raised (perhaps you could clear it up) as to whether these Mark IV. cartridges were what were known as Dum-Dum cartridges; is that so?—I do not think they were Dum-Dum cartridges, they were not unakin to Dum-Dum cartridges, I think; but that is really a technical point as to which I could not speak.

1450. Were the cartridges of a kind which when they met the object at which they were aimed, spread out?—That was so, I think.

1451. Were they expansive bullets?—They were made of two substances, and therefore the one substance would no doubt have a tendency to splash out.

1452. That was not the reason for their

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Vote 15.—Compensation to Contractors—*continued.*Mr. Herbert Lewis—*continued.*

withdrawal?—No, I do not think it was. So far as I know, the reason for their withdrawal was that they fouled in the rifle; but, really, as regards the extent to which they answered to the description of what would be a Dum-Dum cartridge, usable in certain kinds of warfare and not in other kinds of warfare, I am afraid that is a technical point which I do not know about.

1453. Were these particular cartridges sent out to South Africa or to India or where?—I am afraid I do not know. Mr. Bland could perhaps answer the question. (Mr. W. A. Bland.) Originally they were sent to South Africa, but they were withdrawn from all the foreign stations to which they had been sent, after it was decided not to use Dum-Dum bullets.

1454. Was that one reason why they were withdrawn?—It had nothing to do with the cancellation of these contracts. No. V., which is a hard lead bullet and has got antimony in the lead to harden it, is also a Dum-Dum bullet, that is to say, it has a split nose and expands on striking a hard object in the same way as Mark IV., so that the fact of their being of the Dum-Dum type had nothing to do with the cancellation of the contract; but it was the fact of the softness of the lead.

1455. (To Mr. Marzials.) But the reason for this particular compensation being paid is that the specification given to the contractors was really a specification of a defective cartridge, that is to say, it was defective under certain circumstances?—It was a specification of a cartridge which larger experience proved to be an undesirable cartridge for use, because it had certain inherent defects which made it an undesirable cartridge.

Mr. Blake.

1456. These cartridges were destroyed and their use abandoned, not because they wounded too much, but because they would not wound enough?—They were found to have certain inherent defects. Those actually manufactured were, however, used for practice with due care.

Sir Brampton Gurdon.

1457. You say these cartridges were abandoned because it was found that certain things happened when the rifle fouled?—Yes.

1458. Do I understand that this type of bullet was adopted without ever having been tried in a fouled rifle?—It had been tried, but whether it had been tried with rifles in their normal condition and not with a rifle which had been used on that particular occasion for a certain number of times, I cannot tell you.

1459. Do I understand that this splitting up which occurred when the rifle was fouled affected the actual shooting of the rifle or only the effect on the person whom the bullet hit?—I think it affected the accuracy of the shot, because the sheath remained behind and simply the splinter went out.

1460. That was why they were stopped?—That was why they were abandoned.

1461. If

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Mr. Austen Chamberlain.

1461. If you will look at this War Office letter (*handing a letter to the Witness*), I think perhaps you will like to correct one small point in your evidence. I do not know that it is of much importance, but you stated that the failure of this bullet in this particular respect was due to the fact that the bullet was compounded of the mixture of two metals. Looking at that letter do you adhere to the statement that it was a mixture of two metals, or do you wish to correct it. I think it is stated in that letter from the War Office that it is pure lead?—Yes. I see we say it is pure lead, and that was the cause of failure.

Mr. Blake.

1462. You do not mean pure lead unsheathed?—No; pure lead sheathed.

Mr. Goddard.

1463. You mean that the pure lead was too soft a metal without some alloy?—Yes.

Mr. Herbert Lewis.

1464. I understand you to say that these were bullets of the kind known as Dum-Dum bullets; is not that so?—I think not, but I could not tell you. (Mr. Bland.) Yes, they are all split-nosed bullets, Mark IV. and Mark V.

BALANCES IRRECOVERABLE AND CLAIMS
ABANDONED.NON-RECOVERY OF RENT FOR THE USE OF
MILITIA BARRACKS FROM THE COMMITTEE OF
ST. JOHN'S NATIONAL SCHOOLS, BETHNAL
GREEN.

Chairman.

1465. (To Mr. Chalmers.) It appears from paragraph 34 of the Comptroller and Auditor General's Report that the Treasury asked for a ground rent of 90*l.* a year, and the cost of the caretaker, from the School Committee of St. John's National Schools, Bethnal Green; the School Committee however objected to sign an agreement on that basis, pleading that they were only occupying part of the building. Ultimately they declined to pay any rent, and the consequence was that the department got nothing. He adds that the Treasury Solicitor also said he thought the department had no legal claim upon the School Committee; do you agree with that description of the circumstances given in that paragraph?—The description there given by the Comptroller and Auditor General is a description of facts with which I agree.

Mr. Gibson Bowles.

1466. (To Mr. Marzials.) I see that the circumstances with respect to this transaction are set forth in the correspondence on pages 215 and 216. If you will look at page 216, Letter F. 4, you will see in one of the last paragraphs it is said "In connection with the earlier

0.14.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 15.—Balances Irrecoverable and Claims.
Abandoned—Non-recovery of Rent for the
use of Militia Barracks, &c.—*continued.*Mr. Gibson Bowles—*continued.*

negotiations however, the Secretary to the Committee writing on the 10th May, 1899, in regard to the smaller rent originally proposed, observed as follows: 'You may, of course, rely that if it decided that the 50*l.* per annum has to be paid my Committee will not raise any difficulty over the matter.' Who was the Secretary to the Committee who wrote that letter?—They are signed "D. J. Keymer, Honorary Secretary, St. John's School, Bethnal Green."

1467. When you say "they are signed," are you alluding to the letter I asked about of the 10th May, 1899?—Yes.

1468. Are all the letters written on behalf of that association signed by Mr. Keymer?—I think not. I think some were signed by Lord Hugh Cecil. I am afraid I have not got the recent ones here.

1469. But had Lord Hugh Cecil succeeded Mr. Keymer as secretary?—That I cannot tell you.

1470. As to the dates, am I right in saying that in February 1899 an application was made by the committee of the St. John's National Schools for permission to occupy a portion of the unoccupied militia barracks, at Bethnal Green?—That was so.

1471. Following upon that, when the question arose as to payment, that same committee, by the mouth of its secretary, informed you in May 1899 that they would be ready to pay that rent of 50*l.* per annum; is that so; apparently they were asked to pay rent at the rate of 90*l.* per annum?—They were first asked by the General Officer Commanding to pay at the rate of 90*l.* a year.

1472. When were they asked to pay that?—It was in March 1899.

1473. Was that previous to the letter I have quoted of the 10th May?—In May 1899 the General Officer Commanding wrote to the War Office enclosing the letter of the 10th May to which reference is there made.

1474. What rent were they asked?—The General Officer commanding reports having at first asked a rent of 90*l.* (the equivalent of the ground rent), but afterwards reduced his demand to a rent of 50*l.*, the school being only in partial occupation of the barracks.

1475. In May 1899 they had been asked to pay 50*l.* and the Committee had agreed to that?—The School Committee replied that they considered no rent should be paid, and asked to have the question referred to the War Office. They were however ready to pay 50*l.* if so decided.

1476. That is in May 1899?—Yes.

1477. Then in March 1900 is it the fact that this same Committee refused to pay any rent whatever, vacated the premises, and defied the Treasury and the War Office together?—On the 2nd April 1900 they wrote to that effect.

1478. Or was it the 29th March 1900?—There were two letters. The General Officer Com-

manding

15 May 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 15.—Balances Irrecoverable and Claims abandoned—Non-recovery of Rent for the use of Militia Barracks, &c.—*continued.*

Mr. Gibson Bowles—*continued.*

manding forwarded on the 10th April two letters from Lord Hugh Cecil. In the first, dated the 29th of March 1900, he says he is "greatly obliged" for Commander Royal Engineer's letter (which letter asked him to vacate the barracks and act on the War Office letter of the 27th March 1900), and he adds that the barracks were vacated "some days back," and that the "question is therefore at an end." Then on the 2nd April Lord Hugh Cecil, replying to the Commander Royal Engineer's request for the rent owing, wrote, saying, "the question of rent does not arise," and that as the terms of tenancy were still under discussion when the schools vacated the barracks the War Office had no legal claim.

1479. So that on the 2nd April 1900 the Committee, speaking through the mouth of Lord Hugh Cecil, repudiated all claim to the rent which they had agreed to pay speaking through the mouth of Mr. Keymer in the previous May?—Of course I do not quite know whether—

1480. Does that represent the fact—I want to be quite clear what the facts are?—It represents the fact with a gloss, if you would allow me to say so. Lord Hugh Cecil wrote a letter refusing, but to what extent Lord Hugh Cecil was Secretary to the Committee at that time I do not know.

1481. But you do not suggest, do you, that Lord Hugh Cecil did not represent the Committee?—I do not know whether he did or did not; I imagine he was a member of the Committee.

1482. Am I right in supposing that the Committee in March 1900, having occupied the premises for over a year, refused to pay rent on the ground that there was no legal claim?—Lord Hugh Cecil did.

1483. I am not speaking of Lord Hugh Cecil?—He wrote on their behalf; but I do not know what his position was with regard to the Committee. Lord Hugh Cecil, acting presumably on behalf the Committee and, so far as appears, as a member of the Committee, did write to that effect, but to what extent he was the legal representative of the Committee I do not know.

1484. Do you doubt that he represented the Committee?—I do not doubt that he represented their sentiments, and I do not doubt that he represented their case.

1485. (To Mr. Chalmers.) What is the Treasury view of this transaction?—The Treasury expressed its view by sending the correspondence to the Comptroller and Auditor General with a view to publication.

1486. Then, do the Treasury say it ought to be shown up; is that the view of the Treasury?—They sent the correspondence to the Audit Office with a view to publication. (Mr. Marzials.) I may say they did so rather

ARMY APPROPRIATION ACCOUNT, 1899-1900

Vote 15.—Balances Irrecoverable and Claims abandoned—Non-recovery of Rent for the use of Militia Barracks, &c.—*continued.*

Mr. Gibson Bowles—*continued.*

prematurely, because they assumed that we were not going to take any steps in the matter. As a matter of fact we did not take any steps, but they were premature in assuming that we should not do so.

1487. That is the question I wanted to ask you. You were informed by your solicitor, I believe, that if that letter of May 1899 was written by the authority of the Committee, in all probability the Committee would have been liable?—That is so.

1488. That is the reason I asked who wrote that letter?—There was no question as to the official character of the first letter—the letters of 1899 which we received; they were written to us by an individual describing himself as the Secretary to the schools.

1489. But then am I right in saying the Treasury Solicitor advised that if this letter of May 1899 was written by the direction of the Committee the Committee would be bound by it?—Certainly.

1490. But you say you had no legal claim?—I do not think we ever said we had no legal claim.

1491. Then you have a legal claim?—I imagine so.

1492. Then why did you not enforce it?—The War Office came to the conclusion that they would not enforce it, that the matter was doubtful. Having the whole of the circumstances before them they came to that conclusion.

1493. Can you say why?—I can only speak on behalf of the War Office generally; of course the opinions of a large body of men are only to be deduced with difficulty, but I think the War Office took the view that these buildings were required for a *quasi* public purpose, and therefore it was not a case in which a large rent should be demanded.

1494. Or a small rent either?—I will say in which "a rent should be demanded" or, if you like "more than a nominal rent."

1495. It was on that ground that the War Office gave up the legal and moral claim that they had to this rent, or I will say the legal claim?—I think so.

Sir Brampton Gurdon.

1496. If an application were made by Mr. Lyulph Stanley on behalf of the London School Board, would the War Office have taken the same view?—It is very difficult to answer a perfectly hypothetical question of that kind.

Mr. Cohen.

1497. May I ask without reference to this transaction, does not the experience, and I think the unpleasant experience, which the War Office has derived in consequence of this matter, point to the necessity of absolutely definitely fixing the terms before they give possession to a tenant?—Most distinctly.

1498. Do

15 May 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 15.—Balances Irrecoverable and Claims abandoned—Non-recovery of Rent for the use of Militia Barracks, &c.—*continued.*

Mr. Cohen—*continued.*

1498. Do you think that possibly the difficulties that have arisen are due to the failure to have settled the preliminary terms before possession was given?—I have no doubt that is so. Undoubtedly it was a mistake to allow anybody to take possession of the buildings until some formal arrangement had been made fixing exactly what they were to pay.

1499. If that had been done in this case then this Committee or Lord Hugh Cecil, or whoever acted on their behalf, could not have had any peg upon which to hang a claim for being discharged from paying rent?—No.

Mr. Goddard.

1500. Do the schools pay the rates?—They were supposed to pay all the expenses inherent, but whether they actually paid the rates I cannot tell.

1501. Did you pay the rates?—We do not pay any rates; the Treasury pays the rates on all Government property. Whether there was any diminution in respect of that particular occupation I do not know; I think it is very likely.

1502. (To Mr. Chalmers.) Do you know how that was?—Mr. Marzials is quite right in saying that it is the Civil Vote that pays the contributions in lieu of rates on Government property; but I have no knowledge that rates were paid by us in respect of these barracks during their occupation by the school.

1503. I was asking the question in view of the last paragraph of the letter in which Lord Lansdowne says, "that the War Department have not suffered any actual loss by the school tenancy." Of course, if they paid rates they suffered loss?—We paid the rates if any rates were paid.

1504. But on behalf of the War Office?—On behalf of the War Office.

1505. Then that Department would suffer loss if you paid the rates instead of the school paying them?—I have no knowledge of who actually did pay them.

1506. (To Mr. Marzials.) Has every step been taken to prevail upon the School Committee to pay some kind of rent other than going to the extent of legal proceedings?—I do not think so.

1507. No further pressure has been put upon them beyond that?—No further pressure beyond that point.

Mr. Cohen.

1508. As the War Office has several premises and tracts of land of this kind, have steps been taken to secure that in future that what you admit is desirable shall always be done, and that tenancies shall not be given until the terms are definitely settled?—I think we have had our object lesson in this matter, but of course the cases do not very frequently arise. The general regulation, no doubt, is that anybody using a public building would have to pay an adequate rent for it.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 15.—Balances Irrecoverable and Claims Abandoned—Non-recovery of Rent for the use of Militia Barracks, &c.—*continued.*

Mr. Cohen—*continued.*

1509. This school has not paid either an adequate or an inadequate rent owing, as we agree, to the failure of this formality being carried out. Would not the War Office take steps to secure that a failure of this kind should not recur?—I will see when I get back to the War Office to what extent any regulations applicable to the whole of England and Ireland cover such a case, and if they do not I will take care that they do.

Mr. Herbert Lewis.

1510. In this particular case, I understand probably the reason why an agreement was not prepared was that the matter was one of urgency and that as an act of kindness and consideration to the school authorities they were allowed to occupy the barracks at once?—Distinctly; they said they were in straits and their schools were rebuilding, and these barracks being unoccupied, they asked whether they might occupy them pending the rebuilding of their schools. The War Office took that into consideration and said they should be allowed to do so, asking the General Officer Commanding to arrange about the rent they were to pay. But I may say that the War Office throughout very strongly took the view that it was a charitable institution which it was desirable to help.

Mr. Austen Chamberlain.

1511. I am obliged to ask you one question. You complained that the action of the Treasury was premature in sending this correspondence to the Comptroller and Auditor General?—I think it was so; I do not think it made any practical difference, but I think it was premature as a matter of formality.

1512. Why?—We asked the Treasury to agree with us that no rent should be paid; and the Treasury, instead of saying "No, we will not do anything of the kind," immediately referred the transaction to the Comptroller and Auditor General. But at that moment we were not out of order. I admit that we are out of order now, but we were not so at that stage of the proceeding.

1513. You have in mind that you had informed the Treasury that you thought it undesirable to take any legal proceedings?—Yes, but it was for the Treasury to say that they took a different view; and after that we might have been out of order; but we were not out of order at that stage of the proceedings.

1514. Was it clear to you that the Treasury took a different view when they announced that they had referred the matter to the Comptroller and Auditor General?—Yes, unmistakably.

1515. Then perceiving that the Treasury took the opposite view, you still maintained your own view?—There was a *locus penitentie*, no doubt, which we did not avail ourselves of.

Sir Brampton Gurdon.

1516. Is not this an ordinary elementary school?—

15 May 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNTS, 1899-1900.

Vote 15.—Balances Irrecoverable and Claims Abandoned—Non-recovery of Rent for the use of Militia Barracks, &c.—*continued.*

Sir Brampton Gurdon—continued.

school?—I think it is an ordinary elementary school.

1517. I see in the letter printed on page 215 they state, "that they are a heavily-burdened philanthropic institution," and that is followed by this: "Taking all the circumstances into consideration, Lord Lansdowne recommends that the School Committee be allowed to continue their temporary occupation at a nominal monthly rent." Are we to suppose that Lord Lansdowne is ignorant of the fact that, as regards this "heavily-burdened and philanthropic institution," as an elementary school by far the greater proportion, nine-tenths of the cost, is paid for by educational grants out of the pockets of the heavily-burdened British taxpayer?—Whether the whole education question, especially in its bearing upon the voluntary schools in the metropolis, was before the War Office, I do not know, but no doubt the

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 15.—Balances Irrecoverable and Claims Abandoned—Non-recovery of Rent for the use of Militia Barracks, &c.—*continued.*

Sir Brampton Gurdon—continued.

War Office did know that these schools did derive a certain amount of assistance from the State.

1518. Of course you allow that a voluntary elementary school is not a philanthropic institution in any way?—All the voluntary schools derive a certain amount of their income from voluntary subscriptions.

1519. (To Mr. *Richmond*.) May I ask what is your opinion upon this matter?—I did nothing more in this matter than what I believed the Right Honourable Gentleman, who was at the time the Secretary of the Treasury, wished me to do, namely, to publish the correspondence and state the facts. I have had no other information than what is contained in the letters, and therefore I have simply reported it in accordance with what I understood to be the Right Honourable Gentleman's desire.

Wednesday, 22nd May 1901.

MEMBERS PRESENT:

Mr. Banbury.
Mr. Blake.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Goddard.

Sir Arthur Hayter.
Mr. Brodie Hoare.
Sir Robert Mowbray.
Mr. Pym.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Mr. DOUGLAS CLOSE RICHMOND, called in; and Examined.

Chairman.

1520. WOULD you be good enough to give the Committee any further Report which you have to make upon the subject raised in Mr. Hope's letter?—Since the last meeting of the Committee, I have turned my attention to the accounts of the Home Victualling Yards. I may say, in the first instance, that the sales of Victualling Stores are subject to practically the same regulations as those which govern the sale of Naval Stores; that is to say, the decisions of the Yard officers are subject to the approval of the Admiralty, without whose authority nothing is sold. So far, therefore, the system is practically the same. The responsibility is divided, and the ultimate responsibility is with the Admiralty itself. I may perhaps mention one other point in a preliminary way. I have ascertained that as regards the Victualling Stores there was no sale at all in the month of April in any one of the three years which I was to inquire into, namely, 1898, 1899, and 1900. The Victualling Store Accounts are extremely voluminous; and I have had much more difficulty in carrying out the wishes of the Committee as regards the Victualling Stores than I had in doing so with regard to the Naval Stores, mainly for this reason: that the Reports of the Boards of Survey, in regard to Naval Stores, are separately filed and are easily accessible, whereas it is not so in regard to Victualling Stores. The condemnations of Victualling Stores are passed to me in quarterly sets of accounts from each of the several Victualling Yards, and those quarterly accounts contain a vast number of notes relating to issues to ships, sales, and returns from ships, and so on. The issue notes or vouchers have been re-scrutinised, and it has been a matter of some difficulty to find in a very large mass of accounts anything which would bear upon the point which is before the Committee. Still, I have been able to examine something more than half of the whole of the accounts of the Victualling Stores relating to the three years in question. Perhaps the Committee would understand more clearly what the difficulty is when I say that each of the Victualling Yards sends a quarterly account,

Chairman—continued.

each quarterly account, as it is handed to me, contains on the average about 600 notes of one kind or another; and therefore, covering the three years, there being four Victualling Yards, I have to examine 48 of these sets of accounts containing perhaps, on the average, 600 notes in each set. That will give the Committee some idea of what has to be done, and will explain why I have not got quite to the end of my task; indeed, I have not yet been able to procure from the Admiralty all the sets of accounts which I have called for; I daresay they are scattered at outlying places. I can say at once, that so far as I have gone, that is to say, covering more than half the whole of the accounts of the Victualling Stores for the three years in question, I have found absolutely nothing which in any way tallies with the allegation which the Committee have had under consideration. The condemnations are mainly in respect of stores returned from ships the provisioning of which is the main purpose of the Victualling Yards themselves; all those are stores which have been in use, and therefore they are not within the scope of this particular inquiry; in fact by far the greater part of the Victualling Stores are outside my present purpose. Again, some of these stores are issued for use in the yard itself, for the upkeep of the yard, implements of various kinds which, when worn out, are ultimately sold or condemned to be burnt. The only class in which I can expect to find anything of the kind in question is the class (and it is a very small one) of condemnations of stores which have not been issued to ships and not been made use of in the yards. Roughly speaking, I find about half a-dozen of such cases in each set of quarterly accounts, that is to say, six, perhaps, out of the 600 papers which come before me. So far as I have gone, I have found nothing but the most ordinary condemnations; sometimes (to quote from instances I have before me) it may be some tobacco which had been a year and a-half in hand, and was found ultimately to have gone bad, or it may be some tinned meat where it is found that the tin is broken or pierced, and therefore the meat has

22 May 1901.]

Mr. RICHMOND.

[Continued.]

Chairman—continued.

has become putrid—and matters of that kind; but there is absolutely nothing, so far as I have found, which is in any way analogous to what is suggested in the evidence which the Committee have had before it. If the Committee think fit, I will as soon as I receive the remaining documents from the Admiralty carry out the rest of the investigation so as to make it complete. I think I may safely say that something more than half of the whole of these accounts has been examined; but I have yet to receive something like a third of the documents from the Admiralty itself. Then to go on to the Works Department Stores, as soon as I learned that it was the wish of the Committee that I should inquire into those, too, I asked for the papers, but up to this time I have not received them; I imagine that they are at out stations, and that it takes some little time to get them. In fact, the Committee will understand that I am obliged to put the Admiralty to a certain amount of trouble and inconvenience, and I am at some disadvantage, because I am keeping the matter (as I understand the Committee to wish) entirely to myself, treating it as confidential, and am not able to indicate why I am doing the very unusual thing of asking for documents of years gone by, which are supposed to be long since settled. I think it is fair to mention that, because it is not unlikely that the Admiralty may feel some little unwillingness to assist me in a matter where I am not able to state my reasons for doing a very unusual thing.

1521. Do you think that any good purpose would be attained by your pursuing the present inquiry further, or do you think that the test audit which you have already made is sufficient?—I think myself that what I have done may be sufficient, and that the test I have made, which covers more than half of the whole of these Accounts, might be regarded as final. But at the same time, my reason for saying that is not so much any unwillingness to carry out the whole of the inquiry, but rather because of the somewhat delicate position I am in towards the Admiralty.

Mr. Cohen.

1522. The fact that you have not found anything that would support the allegation is, in your opinion, a reason that seems to render superfluous further investigation. Had you found something you might have thought it wise to go right through with it; but having found nothing you do not think that it is urgent or necessary to pursue it further?—That is my opinion. I am confident that there is nothing more to be found.

Mr. Austen Chamberlain.

1523. Did I correctly understand you to say that the precautions taken before any stores are condemned and sold in regard to Victualling Stores are the same as those you described to us at our last meeting in regard to Naval Stores?—I think it is substantially so. There is this difference, that in regard to Naval Stores there is the check of the Admiral Superintendent of the Dockyard, which is not the case with

Mr. Austen Chamberlain—continued.

Victualling Stores, but the documents come before the Director of Victualling Stores, and pass him; and as I gather, in important cases, if the amount of money involved is at all considerable the case comes before a Board of Admiralty itself.

1524. The point I have in my mind is this: Is it possible for a Victualling Yard Officer to condemn and sell of his own motion without further inspection or control any stores which he desires to get rid of?—That is impossible under the regulations.

1525. Would there have to be a Board on the Stores, not exactly the same, but similar to the Board you described in regard to the Naval Stores?—I believe it is called a Board; it consists of more than one official.

Mr. Blake.

1526. While I am disposed to agree with the conjecture which you formed as to the probable result of further inquiry, I gather it is simply because in the course of the investigation of a little more than half you have not found any instance resembling that which has been alleged before the Committee that you draw the inference that in the remaining untouched part you would not be likely to find anything?—Yes, on that account, and also from the fact that year by year we test these accounts and we have never found in the last three years anything at all resembling what has been suggested.

1527. Would it involve very much trouble to complete the inquiry just on the same lines as you have begun it with regard to the minority of accounts which still remain uninvestigated?—No, it would not cause very much trouble. My hesitation is rather that which I have indicated, namely, some unwillingness to press further for documents which have been put away and are regarded as done with. That is my only reason for hesitating to carry the inquiry further.

Sir Robert Mowbray.

1528. Are the cases which you have investigated simply average typical cases, or has there been any possibility of the Admiralty putting forward one class of cases and not another?—No, there has been nothing of that kind at all, and I have no reason to think that the accounts furnished to me are not complete.

Mr. Goddard.

1529. Do I understand you to say that you have got the remaining papers, but have not yet had an opportunity of examining them, or that they have not yet been produced?—Some of them have not yet been produced; a very considerable number, perhaps from a fourth to a third of the whole I have not yet received; they may be in use, or they may be at a distance; there may be a very good reason for it, but I have not yet received them.

Chairman.

1530. The Committee think it desirable that you should complete your inquiry on the same lines.

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Mr. RICHMOND.

[Continued.]

Chairman—continued.

lines as regards the remainder of the stores; do you think, at the first meeting of the Committee after Whitsuntide, you could give us a similar report in regard to them?—Yes, I think I shall be in a position at the next meeting of the

Chairman—continued.

Committee to dispose of the matter in a very few words.

1531. Then you will conduct that further inquiry before the Committee meet after Whitsuntide?—Yes.

Mr. ROBERT CHALMERS, C.B., and Mr. DOUGLAS CLOSE RICHMOND, called in; and Examined.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Mr. FRANK THOMAS MARZIALS, called in; and Examined.

IRREGULAR ISSUES OF SEPARATION ALLOWANCE, &c.

Chairman.

1532. PARAGRAPH 35 refers to amount written off owing to delays in reporting casualties. I suppose it is almost inseparable from warlike operations that some small sums must be charged in respect of mistakes or delays in reporting casualties, and so on?—I am afraid that is quite inevitable. The separation allowances issued to soldiers' families here are dependent upon the life of the man, and a man is often missing for weeks, and sometimes for months, and it takes a very long time for the notification to come home. I am afraid that losses of this kind are inseparable from warfare, especially warfare over such a largely extended area as South Africa.

DISALLOWANCES UNDER £1.

Chairman.

1533. The next paragraph refers to disallowances of under 1*l.* being waived with Treasury consent under discretionary powers; these disallowances are waived, are they not, with Treasury consent?—These disallowances are waived. The Treasury have allowed the War Office to exercise the same power that is exercised by a general officer commanding under the regulations, and in certain cases, where the overcharge does not involve any future overcharge, but is confined to the one particular occasion, the Secretary of State, as long as the war lasts, has to pass any small deficiencies. As a matter of fact, it was found that it was not worth while to send out about these cases to the people away in South Africa; the different people were all over the place, and it was very difficult to get at them.

BALANCE SHEET.

MILITARY SAVINGS BANKS.

Chairman.

1534. Paragraph 37 relates to the handing over, from the Military Savings Banks to the Post Office Savings Banks, of a large sum of money which stood to the credit of the Military

0.14.

Balance Sheet.—Military Savings Banks—*continued.*

Chairman—continued.

Savings Banks; am I correct in supposing that the sum which is not claimed out of soldiers' balances is now handed over to the Effects Fund, and from the Effects Fund paid to the Patriotic Fund Commissioners?—That is so; but of course the Effects Fund relates to the soldiers' effects; these are savings bank balances within the purview of the man who can claim the money at any time.

1535. Then these would not come into the Soldiers' Effects Fund?—They would not come into the Soldiers' Effects Fund unless the man died. If a man died, having a savings bank balance, that balance would be paid to his estate, and go to his relatives if they could be found; but if they could not be found it would go to the Effects Fund, and so to the Patriotic Fund.

1536. If a man who had a savings bank account were to reappear now, he can claim the balance on his account from the Post Office Savings Banks in future?—We have only paid to the Exchequer the amount which was not required to liquidate the Military Savings Banks Account. Owing to the fact that in the earlier years of the existence of the Military Savings Banks the amount of the interest was voted year by year by the State, and invested, there was a surplus over the amount required to meet any claims which might be made by individual investors; there was more on the Military Savings Banks Account than was required to liquidate any claim that could possibly arise upon it; and the Treasury said that inasmuch as that excess had arisen from the fact of excessive sums being voted annually by Parliament towards the expense of the savings bank, that amount was due to the Exchequer, and it was refunded.

Mr. Brodie Hoare.

1537. In future you will have no knowledge or control over the Soldiers' Savings Banks Account;

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22 May 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Balance Sheet.—Military Savings Banks—
continued.

Mr. Brodie Hoare—continued.

Account; it will not come into the soldier's effects at all, in a military sense, he will be merely on the same footing as a civilian?—Yes, from a certain date, the rights of men who were investors on the 31st March 1897 being reserved.

1538. I say in future?—Precisely. In future no new investments are being taken into the Military Savings Banks.

1539. You mean no deposits?—Quite so; the Military Savings Banks are therefore dying out. The soldier investing at the present moment, as you say, makes his investment like any ordinary individual in the ordinary Post Office Savings Bank.

1540. And the Military Authorities have no knowledge or control over the Soldiers' Savings Banks Account in the future?—No.

1541. This surplus does not arise, as I understand, to any material extent, from unclaimed balances?—No, not in any sense. This payment to the Exchequer leaves the Military Savings Banks absolutely solvent.

Mr. Cohen.

1542. I observe that after correspondence with the Treasury, you sold 73,619*l.* Consols which produced 75,000*l.*; was the Treasury consulted as to the amount which should be sold because, as I understand, they suggested handing over such an amount as would leave such a surplus "as could prudently be appropriated." I notice that you have now left 212,000*l.* Consols against your liability of 187,000*l.*; and that I calculate would leave a balance over your liability of about 2,000*l.*, which is 1 per cent. in round figures; is that considered sufficient surplus to comply with the Treasury condition as to the surplus being such "as could prudently be appropriated"?—I think it was more than that, if I recollect right.

1543. I think you will find my figures are correct; you did hold 285,702*l.* Consols, and you sold 73,619*l.* Consols, therefore, you have now 212,183*l.* of Stock?—Yes.

1544. Against your liability of 187,000*l.*?—Yes.

1545. That, at the present price of Consols, would leave you a margin of about 1 per cent.; I do not say whether that is a sufficient or an insufficient margin, but I ask, have the Treasury been consulted as to the amount of the margin which you have retained?—Yes, the Treasury were entirely consulted; they were absolutely seized of the whole transaction; the amount which we sold and the amount which remained in the savings banks.

1546. Did you consult them before you sold the Consols?—We consulted them throughout the whole transaction.

1547. (To Mr. Chalmers.) Do the Treasury hold that this margin of 1 per cent., or rather, I think it is nearly 1½ per cent., is a sufficient margin to comply with their condition that the surplus should be such "as could prudently be appropriated"?—The Treasury consent was based

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Balance Sheet.—Military Savings Bank—
continued.

Mr. Cohen—continued.

on figures relating to the year ending the 31st March 1898. The Treasury gave its consent in March 1899 when, perhaps, the position of the Stocks was not quite what it is to-day.

1548. It is very different?—At that time the liabilities were 203,000*l.*, and the total of the Stock held at that date was 297,000*l.*; and the cash value was, of course, larger. That being so, it was thought that 75,000*l.* might very safely be surrendered to the Exchequer, who had found the money in the past by Parliamentary votes. That was on the 15th March 1899.

1549. But the Treasury observe that the margin has gone down owing to the depreciation of Consols to a little over 1 per cent., taking the figures I have given?—I take the figure from the honourable Member. Of course, the position is quite different from that of the 15th March 1899.

Mr. Blake.

1550. I see the realisation of the Consols took place on the 26th March 1900?—Yes.

NON-VOTED ACCOUNT.

REGIMENTAL CHARITABLE FUNDS.

Chairman.

1551. (To Mr. Marzials.) Paragraph 38 refers to the misapplication of certain funds to warrant officers, which were really for the use of non-commissioned officers and soldiers; that misapplication has been rectified now, has it not?—That is the case. It was not a very large amount; it was rather a question of principle than of amount.

1552. It is thoroughly understood by the War Office that the funds in question are intended for soldiers now, is it not?—Yes, that is being made quite clear in the regulations, so that the mistake shall not recur.

Mr. Goddard.

1553. Has any attempt been made to get back these payments which were illegally made?—I do not think any attempt was made to get back that actual money; the sums were small, and the mistake in the past, I take it, was more or less condoned. It would be very difficult to recover the money from the persons to whom it had been paid, over whom we had no hold of any sort or kind.

1554. It seems such a very improper thing that funds which were allocated by Act of Parliament to the benefit of the rank and file of the Army should be appropriated for the benefit of officers and officers' children, that I should have thought something ought to have been done in order to recover the money, however small the amount?—It was paid to persons who had no further connection with the Army.

Mr. Blake.

1555. How did it come about; the Act seems to clearly provide that it was for non-commissioned

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Non-Voted Account.—Regimental Charitable Funds—*continued.**Mr. Blake—continued.*

sioned officers and soldiers only, but the money has been applied partly to a school for the daughters of officers; what is the explanation of this misapplication of the money in that way?—These funds are not within the allocation or control of the War Office itself; they are controlled by the officer commanding each regiment, and I suppose it was done probably in ignorance of the exact legal position of the fund.

Chairman.

1556. Was it from want of clearness in the regulation which you say has now been amended?—I do not think the regulation was clear. If they had referred to the Act it was clear enough there, but probably in the administration of the fund they did not refer to the initial Act itself; but I should suppose they referred to the general instructions about charitable funds. The amounts were not large in any case.

Mr. Banbury.

1557. I understand you to say that the amounts were not large, and that they had been given to people who had left the Army, and over whom the Army had no longer any control?—That was so.

1558. But is it not the fact that where a trustee (and it may be presumed that the people who administered these funds were in the position of trustees) makes a payment which is contrary to the provisions of the trust, you do not proceed against the people who receive the money, but you proceed against the trustee who has made a payment which he should not have made. Is it impossible (I do not say it ought to be done) to proceed against the people who were in charge of these funds, and who really made this misappropriation of the money?—It would not be impossible. I do not think the question was raised at the time from that point of view; it was regarded simply as a mistake not large in character, and condoned.

1559. But are not the people who had to administer the fund the people whom you ought to proceed against; would it not be advisable to point out to the people who are in charge of the funds that if they do not take the trouble to ascertain how they should administer them they are liable to be proceeded against with a view to preventing any recurrence of this sort of thing?—It might be desirable to enforce the new regulation which has been made by pointing out that contingent liability in connection with it. I will see that that is done.

ON VOTE 1.

EXPENDITURE OF A SPECIAL NATURE.

Chairman.

1560. (To Mr. Chalmers.) I understand you have some correspondence to hand in with 0.14.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—*continued.**Chairman—continued.*

regard to the matter referred to in paragraph 11, which the Committee were considering at a former sitting?—Yes; with the consent of the War Office, I will put in the War Office letter as well as the Treasury letter in reply.

1561. (To Mr. Marzials.) You see no objection to the War Office letter being put in?—None at all.

1562. (To Mr. Chalmers.) Will you read the letters?—On the 1st March 1900, the War Office wrote to the Treasury as follows: "Sir,—I am directed by the Secretary of State for War to acquaint you that expenditure on field intelligence in South Africa to the amount of 5,000*l.* has been authorised up to the 31st instant, and that a further amount of 7,000*l.* has been expended for the purpose of acquiring information connected with military operations. Lord Lansdowne trusts that the certificate of the Secretary of State, similar to that given for expenditure of a cognate character, may be accepted as a sufficient voucher for this expenditure, which will be accounted for under Sub-head A., Miscellaneous, Vote 1, and met out of savings, if possible, upon that Vote." The reply of the Treasury upon the 8th of March was as follows: "Sir,—I have laid before the Lords Commissioners of Her Majesty's Treasury Mr. Marzials' letter of the 1st instant, intimating that a sum of 12,000*l.* will have been expended by the end of the present month for the purpose of acquiring information connected with military operations in South Africa. It is proposed to charge the expenditure to Sub-head A. of Army Vote 1, and to support it by a certificate from the Secretary of State, similar to that given for civil expenditure of a cognate character. Regard being had to the exceptional circumstances necessitating the expenditure, my Lords for their part approve of the course which the Marquess of Lansdowne proposes to follow in the matter. A copy of Mr. Marzials' letter, and of this reply, is being sent to the Comptroller and Auditor General for his information."

Mr. Blake.

1563. You, of course, are familiar with what I may call the Natal case, which is referred to in the Report of the Public Accounts Committee of 1882, where two payments of 50*l.* and 11*l.*, described in the Natal Account as being for "secret service," were held to be properly chargeable to the Secret Service Vote and not to Army Vote 1.?—Yes.

1564. It seemed to me that this question assumed rather large proportions in view of the probable considerable expenditure that might have been made after this initial arrangement in the same sense and for the same purposes in the course of the war, and that it was therefore important to get clearly at the principle on which such expenditure should be dealt with. Do the Treasury conceive that there is any distinction in principle between this and other secret service votes?—Yes, the Treasury thinks there

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[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—
*continued.**Mr. Blake—continued.*

is considerable difference. The point was raised by an honourable Member on a previous occasion, and with the permission of the honourable Member now asking me I should like to explain that in 1882 there was no provision in any Royal Warrant relating to the Army for any expenditure of a secret service character, and it was on that account, I apprehend, that the Public Accounts Committee decided in 1882 that charges like the Natal case, to which the honourable Member refers, should be borne by the Civil Vote. In 1889, as a matter of general re-organisation of the service, it was felt that the Army Regulations were deficient in not having a provision for expenditure of this kind which was considered by the War Office and Treasury at the time to be inseparable from the military operations; and in consequence, in 1889, the following regulation was included in the regulations for the Allowances of the Army. It is paragraph 660 of the present Allowance Regulations. I will read it if I may.

Chairman.

1565. Will you please do so?—"A money allowance not exceeding 300*l.* a quarter will be granted to the officer commanding an army engaged in warlike operations, for the purpose of obtaining intelligence connected with such operations on his certifying that the amount has been so expended on his authority, and includes no pay to any officer or soldier of Her Majesty's Forces. Any further sum expended by the officer commanding for such a purpose shall only be chargeable to Army Funds if specially sanctioned by the Treasury." That was the position in which the Treasury found itself when the present war began, and the feeling was that the ruling of the Public Accounts Committee of 1882 was, if I may so say, superseded by the fact that there had been now introduced into the ordinary regulations of the Army a provision which did not exist in 1882: Expenditure to the extent of 300*l.* a quarter is sanctioned by this regulation. As a matter of fact, it was found early in the operations in the field that 300*l.* a quarter was insufficient, and in accordance with the concluding paragraph of the regulation the War Office, as early as the 2nd January 1900, came to the Treasury and asked that the allowance might be increased by Treasury authority; and it was so increased by the Treasury on the 6th January 1900, from 300*l.* to 1,000*l.* a quarter. At some length I have explained generally the antecedent conditions which were present to the minds of the two departments in dealing with this case, and in regard to which perhaps they had not considered the ruling of 1882 as being still in effective operation, if I may say so. That was the position when there came this application from the War Office relating to two sets of expenditure, the first relating to expenditure which was incurred under the ordinary allowance conditions as they now are by the general

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—
*continued.**Chairman—continued.*

officer commanding himself; and the second, relating to expenditure of a kindred nature, but incurred on behalf of all the general officers commanding at various parts, that is to say, for the purpose of obtaining general information relating to this military intelligence as a whole. The War Office, as is seen in the correspondence which I have read, came to the Treasury as regards the first item of expenditure only for a further excess beyond the 1,000*l.* a quarter already mentioned; and had that been the only matter, the Treasury would not have considered that this was of such an exceptional character that it would be necessary to direct the particular attention of the Comptroller and Auditor General to it. But there was a second item of expenditure,—incurred, not by a particular general officer commanding, but in respect of the operations as a whole. The feeling of the Treasury, and I presume it was also the feeling of the War Office in applying to us; at any rate the feeling of the Treasury in replying to the War Office was, that this expenditure on behalf of the general officers as a whole, certified by the Secretary of State, came under the same principle though it did not come under the actual words of the article. It was for that reason and with reference to that expenditure dealt with by the Secretary of State's certificate that the Treasury thought it proper, the circumstances not being technically covered by the regulation, to send the whole correspondence to the Audit Office.

Mr. Blake.

1566. You will probably recollect that in the Report of the Committee with reference to the Natal case they suggested that the payments in question there "should be charged to Secret Service," and then the statement is this: "This is in accordance with the opinion of the Public Accounts Committee of 1879, and of the Treasury in their Report of 27th October 1879, with reference to a somewhat similar case in the Admiralty. Whether any special Secret Service Vote should be passed for the War Office and Admiralty to meet special secret payments connected with the services of our Army and Navy in time of war, is a question which deserves consideration." That was the way in which the Public Accounts Committee left it in 1882. What I want to ask is this: Whether you can point us to any Parliamentary authority or sanction for this deviation (the necessity of which I quite see) in practice from the ordinary vouchers and accounts as to payments of this class?—I can point to none beyond the general considerations which apply to the Secret Service Vote in the Civil Estimates. As to those general considerations affecting that Civil Vote, it is a matter of agreement; but I, not being a lawyer, should hesitate to express an opinion as to whether it is strictly legal even there to dispense with normal vouchers. It is, however, a practice which is recognised, and must

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[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—
continued.

Mr. Blake—continued.

must be recognised, as a working principle in connection with the Civil Vote; and that general recognition of a working principle was followed in accepting the certificate of the Secretary of State in connection with this analogous Army Expenditure.

1567. I think that the Departments in this case were met by an unexpected contingency, which had to be grappled with; but one wants to get it settled upon the proper principle now, and my difficulty in the case is this: We seem to me practically to be recognising the proposition of an unlimited or illimitable use of money in time of war for Army or for Navy operations without any previous grant by Parliament of any sum in that regard unsupported by ordinary vouchers; and what I ask is whether the Treasury has considered the propriety of acting upon what is thrown out by the paragraph which I have just now read from the Report of the Committee of 1882, of asking for a Secret Service Vote for use in time of war, or in the case of war?—The Treasury has considered the matter in connection with this case which is now before the Committee, and the feeling of the Treasury is that in time of war the ordinary Civil Vote should not bear these expenses, but that they should be borne by the Army or the Navy Votes as the case may be; that is, that they should not be detached from the account of the expenditure relating to the expeditions which may be on on foot at the given moment. As regards the question of Parliamentary authority the question did not arise in the minds of those concerned but had it arisen the Treasury would have asked that a note should be appended to the estimate, which would go to Parliament, drawing attention to the fact that part of this expenditure would be used for the purpose of acquiring military information. You cannot, in ordinary peace times, put in a provision or note of that sort; it is only in time of war, when you have got war existing, and are taking an estimate during the continuance of the war.

1568. I see great conveniences in keeping the ordinary Vote for the Secret Service which is applicable to peace times on the old lines whatever they may be; we do not know them exactly, and we are not intended to know them; but I do not, at the moment, see any inconvenience in taking a Vote for Secret Service money to be used in the event of war which is earmarked, so to speak, in that way, that it must fall in unless there is war, that is to say, it is not capable of being expended unless military or naval operations are engaged in; and when they are engaged in, then the money is ready to hand, and you get the control of Parliament over the extension of the principle of there being a certain sum of money which must be expended in a way which deprives the country of the ordinary security of lodged accounts, and so forth. This present system seems to recognise an unlimited or illimitable use of money in time of war for

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—
continued.

Mr. Blake—continued.

Army operations without any previous grant?—I quite see the honourable Member's point.

1569. Parliament without demur doubled the Secret Service Vote not long since?—Yes.

1570. That was supposed to have some reference, not remote, to use in connection with possible defensive operations; that may have been wrong, but at any rate it doubled the Secret Service Vote; but notwithstanding the doubling of the Secret Service Vote, it has been found necessary for convenience not to use any of that 60,000*l.* for this purpose, but to take money without any Parliamentary sanction and without the usual vouchers; and I ask whether the Treasury would see any inconvenience in the suggestion that a Vote should be taken for Secret Service to be devoted to the Army and Navy in time of war, that is to say, a separate vote as a War Vote?—Do you mean an annual vote in time of peace?

1571. Yes. I should think it should be an annual vote to get it regularly upon the Estimates; we are almost always at war somewhere or other, you know?—I do not know that on a point of that sort I could speak off-hand as representing the Treasury views fully, but I think I might say that the Treasury would be indisposed to have an annual vote in time of peace for warlike purpose. But I tried to meet the hon. Member's views in what I said as regards a note to the Estimates; that is to say a note to bring it clearly to the notice of Parliament that part of the grants might be devoted to the purpose of military intelligence.

1572. But without any limitation as to the amount of the sums which are to be devoted in that way, without any maximum?—I think there would be very considerable objection to mentioning an estimated amount.

Mr. Goddard.

1573. Was such a star put in the Estimates of this particular year?—It was not; the matter had not been considered, attention had not been directed to it; that was the reason.

1574. Was not the Comptroller and Auditor General's Report out then?—No, not when the Estimates were prepared.

Mr. Blake.

1575. Then, as I understand, the only information upon which these accounts are vouched, is the certificate or declaration of the Secretary of State that the moneys are devoted to or have been expended for these purposes?—The certificate is in the form with which the honourable Member is familiar in the ordinary Civil Vote. It was dealt with on exactly the same lines, but as it was the first instance of a payment of this kind appearing in the Army Account, the correspondence was sent by the Treasury to the Audit Office, knowing that it would be brought to the attention of this Committee if necessary.

1576. (To

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[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Vote 1.—Expenditure of a Special Nature—
*continued.**Sir Robert Mowbray.*

1576. (To Mr. *Marzials*.) Has there been no case of any payment under the regulation of 300*l.* a quarter between the Natal case and the present case?—No, there has been none. We have tried to trace a case, but we have found none.

1577. So that the question has really never arisen as to how far the insertion of that regulation by the War Office would legitimise the payment?—No, we have tried to find any charge in the meantime: I have had the accounts searched, but I can find no charge.

1578. You find no charge until this charge which we are dealing with now?—Yes. That very point was raised by Mr. Chalmers, and he asked me to look through the accounts and see if I could find any charge, but I have not been able to find one.

Chairman.

1579. (To Mr. *Chalmers*.) I understand you have put in the whole of the correspondence in regard to this case?—Yes.

ARMY APPROPRIATION ACCOUNT, 1899-1900.

ON VOTE 10.

FRAUDS BY A FOREMAN OF WORKS, ROYAL
ENGINEER DEPARTMENT.*Mr. Banbury.*

1580. (To Mr. *Marzials*.) With regard to paragraph 26 you said that you would look into the question as to whether Messrs. Martin Wells & Co. had been employed again as contractors or were now being employed?—Yes; they were struck off for a year, and then they were struck off again for another year, but they were allowed to continue those contracts upon which they were employed at the time when they were struck off.

BALANCES IRRECOVERABLE AND CLAIMS
ABANDONED.

BETHNAL GREEN MILITIA BARRACKS.

Mr. Blake.

1581. I am requested to ask that the correspondence in connection with the Bethnal Green Militia Barracks referred to in paragraph 34, which was under the consideration of the Committee at the last meeting, should be produced; we had a précis of it, but the Committee thought it desirable that the correspondence should be put in?—I am afraid I cannot hand it in at this moment, but I will see that it is sent to the Committee.

STORE ACCOUNTS OF THE ARMY.

ACCOUNTS RETAINED IN SOUTH AFRICA.

Chairman.

1582. (To Mr. *Marzials*.) Paragraph 3 refers to certain stores issued to the forces in South Africa as to which the War Office held, that it was impracticable to have the ledgers returned to England in time for examination by the Accountant General and by the Audit Department; of course, any question as to stocktaking in regard to those stores must remain over until the war is over?—Yes, it is no use taking any stock while the operations are going on. What is proposed is that the stock should be taken at the end of the operations and inquiries made in the best practical way as to what has been lost or destroyed, and what is in stock, and to have all the books balanced then. It is obviously useless to try to do it when the operations are going on.

CONDEMNATION OF REGIMENTAL EQUIPMENT.

Chairman.

1583. In paragraph 4 it appears that there was the greatest possible discrepancy between the result of the surveys of regimental equipment in regard to the condemnation of rifles, and so on, as between two regiments, the First

Condemnation of Regimental Equipment—
*continued.**Chairman—continued.*

Warwick and the First Lincoln, after the Egyptian Campaign; is that so?—That was so.

1584. In the case of the Warwicks their accoutrements and their rifles were examined by a board composed entirely of officers, whereas, in the case of the other regiment, the Lincolns their rifles were examined by an Ordnance Store Officer or an Ordnance "Valuation Officer" as he is called?—He is not an Ordnance Store Officer, he is an officer whose duty it is to value as between the two Departments.

1585. Of course, the result, naturally enough, is that the officers condemned a great many more rifles than were condemned in the case of the Lincoln regiment?—Well, they did so, certainly.

1586. Is it in contemplation now to make new regulations so that the boards which test these rifles shall be composed in all cases of officers with the same duties?—It is in contemplation to make arrangements for obtaining a more fixed standard as to what is serviceable and what is
unserviceable.

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[Continued.]

STORE ACCOUNTS OF THE ARMY.

Condemnation of Regimental Equipment—
*continued.**Chairman—continued.*

unserviceable, more especially by seeing that the whole state of the things is brought under the notice of the general officer commanding at the station, and that he shall, before final condemnation, go into the state of the things and see to what extent there is harmony and due comparison.

1587. So that it will not depend upon the fiat of a board of regimental officers?—That is so.

CONDEMNATION OF ARMY BLANKETS STORED AT
DEPTFORD VICTUALLING YARD.*Chairman.*

1588. Paragraph 5 relates to the condemnation of certain blankets which had not been opened for over 12 years; is there any explanation of the reason why those blankets were not opened for so long a time?—That is a matter really very much more within the cognisance of the Admiralty than the cognisance of the War Office. The Admiralty had these blankets in their possession, and the loss formed part of a considerable loss which there was at the Victualling Yards some years ago. It was inquired into at great length, and what had been lost on that occasion was written-off after due inquiry and the punishment of the delinquents, but these blankets being War Office property in the possession of the Admiralty remained as a kind of heel-tap, and were not written-off at the time; but they have been written-off since.

Mr. Austen Chamberlain.

1589. That is a loss which has been already dealt with, I understand you to say; it is the same loss which was dealt with in a previous year by the Public Accounts Committee on the Naval Victualling Yards Accounts?—That was so. They went into the whole matter at great length at the time.

Mr. Goddard.

1590. Was that the explanation which was sent to the Treasury. I see from the Report that the Treasury requested an explanation of the circumstances, but apparently they did not get it?—They did not ask for that explanation from us; they asked for an explanation from the Admiralty, and the Admiralty did give them an explanation, which I think I have here. This is the letter from the Admiralty to the Treasury: "I am commanded by my Lords Commissioners of the Admiralty to acquaint you, for the information of the Lords Commissioners of Her Majesty's Treasury, that the blankets in question were sold on Naval Account in December 1898, but that the subject of deterioration having been included in the Report of the Special Committee, a copy of which was forwarded to the Treasury, it was not realised at the time that a specific sanction to write-off the loss was necessary."

1591. I see the point; but this 27*l.* 6*s.* 8*d.*

STORE ACCOUNTS OF THE ARMY.

Condemnation of Army Blankets stored at
Deptford Victualling Yard—*continued.**Mr. Goddard—continued.*

had not been previously written-off in connection with the loss in 1898, had it?—No, it had not.

1592. This was something which was overlooked?—This is an additional writing-off beyond the writing-off that took place in 1898.

ERRONEOUS RECORD OF RECEIPTS AND ISSUES,
WOOLWICH ARSENAL.*Chairman.*

1593. In paragraph 6, the Comptroller and Auditor General refers to certain errors in the record of stores; I apprehend that this confusion was the result of the sudden orders which were sent in December 1900, to send out immense quantities of stores; that there was not sufficient room to stack them at Woolwich Arsenal, and consequently they were all placed in almost no sort of order, and that a man in getting off his stores could not be sure he had sent off all that were on his paper. Is it due to something of that kind?—Yes, it was something of that kind. These bales come in in very large numbers, and as they were inspected they were sent out; but before one bale could be completed another bale came in on the top of it, and so confusion arose. I may say there is no ultimate discrepancy as between the actual articles received and inspected; it is really a mere difference of record as to whether they should be recorded in one year or the next.

1594. Then they can be rectified later on?—Yes, time would rectify that, in fact. As they got at the lower bales they would be entered, and the account would rectify itself. They debited their account with these blankets to meet issues which they had already made.

Mr. Banbury.

1595. I can understand that owing to the great hurry blankets which had been received might not have been properly credited in the books, but I do not see how that accounts for the statement that is made here that vouchers were in some cases given to the contractors before the contractors had parted with the blankets; am I right in thinking that vouchers were given before even the blankets had been received; that seems to be the effect of the statement in the first sub-paragraph of paragraph 6; it says, "the vouchers in support showed that in some cases they had not undergone inspection, and in others that they had not even passed out of the possession of the contractors until a later date." Why should they have been entered as having been received, when, as a matter of fact, they were in the hands of the contractors?—I am afraid I am unable to explain that at this moment; I will explain it ultimately if you will allow me to give the explanation at a later date.

STOCKTAKING, WOOLWICH

Chairman.

1596. I gather from paragraph 7 that in October

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

STORE ACCOUNTS OF THE ARMY.

Stocktaking, Woolwich—*continued.**Chairman—continued.*

October 1899 the stores were found to be going out so rapidly to South Africa that it was of no use taking any verification of the stores, which were so continually changing, and the remain officers were therefore employed upon something else: is that so?—That was so. There was no time really to take the stock at that time.

INDEPENDENT STOCKTAKING AT OUT-STATIONS.

Chairman.

1597. I observe in paragraph 8 that, as regards almost all the district commands at home, independent verifications of stock have been taken by the Accountant General's officers. May I ask how long it takes to make that verification. It is stated in the Report that during the past three years these verifications of stock have been taking place; does it take three years to take the stock at all the home commands?—That, of course, depends upon the activity displayed and the number of men whom we have available according to the quantity of the work. We try to get it done within that time.

1598. Are they clerks taken from the Accountant General's Department?—Yes, they are clerks sent out from the Accountant General's Department in the War Office. They go down to the district and compare the books with the stock in hand at the various places.

1599. Therefore they know to a nicety what the stocks really are at each station?—Yes.

1600. Will you apply the same system to the foreign stations?—We have not yet been able to organise any foreign stocktaking, it is a difficult thing to do. It has been done occasionally at one or two places, but it has not been done regularly.

1601. Can you not take the stock in the case of large garrisons like Malta?—Yes, it has been done once or twice at large places like Gibraltar or Malta, but it has not been done with any regularity.

1602. Do not the War Office attach importance to its being done?—Yes, very considerable importance. Of course, it is a costly business to send out a man or a couple of men to many of these places which are very distant, like Hong Kong and Singapore, and it has not been done yet; we have relied more or less upon the local inspections. I should like to see it done completely; I attach great importance to it myself.

Mr. Pym.

1603. Who is the authority that makes the local inspection?—You would have to call upon the general officer commanding, and he would appoint a board of officers to do it.

1604. Is that done very often?—It is done at certain places.

Mr. Austen Chamberlain.

1605. This "independent" stocktaking, as it is described here, refers only to stocktaking by your officers, as I understand?—Yes.

STORE ACCOUNTS OF THE ARMY.

Independent Stocktaking at Out-Stations—*continued.**Mr. Austen Chamberlain—continued.*

1606. Such a local stocktaking, as you have referred to just now, would, I suppose, be independent in the sense that it would not be a store officer who would take the stock in regard to his own accounts?—No, it would be a board of officers appointed to do it.

Mr. Pym.

1607. Can you verify, either through your own officers or through these local people, the amount of stock every year, say, on the 31st of March, at the particular place?—We have yearly accounts which show the amount of stock at each particular place.

1608. Right up to the 31st of March, do you know what the amount of stocks were at that particular date? Would you be able to verify it either by your own officers or by these local officers?—Yes, our account is an annual account. But, of course, the stocktaker would take the account as it stood at the time he took the stock; he would take the books as they were at that date.

Mr. Goddard.

1609. But there is a difference between the stock which appears in the account and that which appears on the stock-book. Of course, an account will show what you have received and what you have sent out, and the balance is put down as stock; but you may not have that stock really in your possession. It is to check that, that is the object of these stocktakings?—The object of the stocktaking is to go through the yard and the shops to see that the stuff in hand corresponds with the books.

1610. But I understood you, in answer to Mr. Pym, to say that you had your annual accounts, but you did not have this annual special independent stocktaking, which checks the accounts at the end of the year exactly?—We could only secure that by having our stocktaking exactly on the 31st of March.

Mr. Pym.

1611. That is what I meant?—That we cannot secure. What we can secure is that men shall go to a particular district, and see that the stock that they possess there at that particular time corresponds with the books at that time.

1612. This first stocktaking, as I understand, takes place about once in three years at the home commands?—Yes.

1613. And not at all abroad?—Not with regularity.

Mr. Austen Chamberlain.

1614. Do I understand that your stocktaking takes place once in three years at home?—Yes, about that.

1615. In answer to the Chairman, you were referring to the stocktaking by your officers?—Yes.

1616. But how often do these local stocktakings take place?—Every year. A local inspection

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

STORE ACCOUNTS OF THE ARMY.

Independent Stocktaking at Out-Stations—
continued.

Mr. Austen Chamberlain—continued.

specation is taken once a year, and ours is a test stocktaking taken at intervals about once in three years.

Mr. Pym.

1617. As regards these local stocktakings at home, who do you rely upon to take those?—A board of officers at the station.

1618. At the home stations?—Yes.

1619. In the same way as you do abroad?—Yes.

1620. Then I understand there is a special stocktaking by officers sent from the War Office somewhere about once in three years?—Yes, about that.

Sir Robert Mowbray.

1621. (To Mr. Richmond.) I see in the last line but two of paragraph 8 of your Report you use the words "independent check," that means a check independent of your office; I presume it does not mean independent of the War Office?—It means independent in the sense that it is carried out by officers independent of the Store Department; officers, for instance, of the Ac-

STORE ACCOUNTS OF THE ARMY.

Independent Stocktaking at Out-Stations—
continued.

Sir Robert Mowbray—continued.

countant General's Department would be independent officers for that purpose.

1622. But they, of course, would be representing the War Office, not representing you?—Representing the War Office.

Mr. Austen Chamberlain.

1623. You say by an "independent check" you mean a check by officers independent of the Store Department?—Yes, independent of the stores; officers from the Department of the Accountant General.

1624. But you have heard what Mr. Marzials has said as to the local stocktakers; is not the board of officers which conducts one of those local stocktakings quite independent of the store officer whose accounts and stores are checked?—Yes.

1625. Therefore in this particular case, in speaking of an "independent check," you mean not merely independent of the store officer whose accounts are examined, but independent in the sense of being made by an authority outside that of the general officer commanding the district where the stores are?—Quite so.

MILITARY WORKS ACTS ACCOUNT, 1899-1900.

Chairman.

1626. (To Mr. Marzials.) As I understand this account, 9,458,000*l.* is the sum which is authorised by the Military Works Acts, and 2,411,616*l.* is the amount expended up to the 31st of March 1900?—That is so.

1627. Therefore you have in hand for these military works 7,046,383*l.*?—That is the case.

Mr. Blake.

1628. I observe at the foot of page 6 a note to the effect that a payment of 25*l.* is described as "a vendor's moiety of the umpire's fee in connection with the acquisition of land" is included as a payment with Treasury sanction. I suppose the Department were the purchasers. Could you explain how it was that the vendor's moiety of the umpire's fee was paid by the Department. It is difficult to understand without explanation what the purchasers had to do with the vendor's moiety?—I am afraid I have not got the details of the transaction before me.

1629. Is this in connection with the purchase of land for military purposes on Salisbury Plain?—Yes, for the purchase of a piece of land on Salisbury Plain.

1630. Perhaps you could find out what the explanation of that payment is?—Yes, I will find that out.

0.14.

Chairman.

1631. There are two items in the account on page 4 as to which I should like to ask for an explanation. There is a very large sum of 1,600,000*l.* taken for "Salisbury Plain,—Provision of Barracks, Hospitals, &c." Surely that must include other things besides barracks and hospitals, does it not?—It includes the purchase of the land and the whole thing.

1632. I see no expenditure down for the year 1299; were none of these barracks commenced in 1899?—I do not think anything was begun in the way of permanent barracks in 1899.

1633. Not up to the 31st March 1900?—I think not.

1634. They are building now, are they not?—Yes, they are building now largely.

1635. Have they bought all the land that they intend to buy?—I think all that they have in immediate contemplation; there may be one or two small bits for rounding off, but I think nothing large. The barracks are begun.

1636. Then I want to ask about the item for Wei-hai-Wei. I see 130,000*l.* is taken in the revised estimate, but that you have only spent 4,722*l.* Is not that being gone on with?—Yes, that is being gone on with. It is being gone on with now, but in an intermittent way. There is a question about its being made a Civil

22 May 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

MILITARY WORKS ACTS ACCOUNT, 1899-1900.

Chairman—continued.

a Civil Government altogether; nothing is really finally settled. This, of course, is for the provision of barracks for the troops who will be ultimately kept there.

Mr. Pym.

1637. Then the 4,722*l.* represents an accomplished fact; that is the money that has been expended up to the present time?—Yes, up to the 31st March 1900.

1638. There are barracks representing that amount?—Yes there were works representing that amount up to the 31st March 1900.

Sir Robert Mowbray.

1639. Has all the land at Salisbury Plain been paid for?—Yes.

MILITARY WORKS ACTS ACCOUNT, 1899-1900.

Sir Robert Mowbray—continued.

1640. Then how is it that no part of this expenditure of 1,600,000*l.* to which the Chairman drew your attention, "Salisbury Plain,—Provision of Barracks, Hospitals, &c.," is represented as paid. In answer to the Chairman you said that that included also the cost of the land, but if the land has been paid for how is it that there is no amount down opposite that item as having been expended; I do not know whether your answer to the Chairman was made without looking at the actual item?—I beg your pardon; I see I was wrong. I was referring to a different part of the account. As a matter of fact that 1,600,000*l.* is for the completion of barracks on Salisbury Plain, of which nothing has been spent. What has been spent on Salisbury Plain is the 577,000*l.* which you will find on page 6; that is for land.

BARRACKS ACT, 1890.

CREDIT IN RESPECT OF SALE OF SALFORD BARRACKS.

Chairman.

1641. (To Mr. Marzials.) The Salford Barracks were bought by the Manchester Corporation were they not?—Yes.

1642. They paid 38,500*l.* for them, but that sum has to be deducted from the total sum taken under this Act, has it not?—That was so.

1643. It is not surplusage; if you sell anything belonging to the War Office you have to deduct it from the amount which is raised under this Act?—That is so; the amount obtainable from the public under the Act is *pro tanto* diminished.

ADVANCES TO CONTRACTORS IN EXCESS OF
VALUE OF WORK PERFORMED.*Mr. Goddard.*

1644. I observe in paragraph 6, in regard to barracks at Malta, it is said that the "terms of the contract for this work provided for advances being made to the contractor up to a limit of 75 per cent. of the value of the work done," and that advances were made amounting to 4,500*l.* "upon certificates given by officers of the Royal Engineers," but it was subsequently discovered that the sum advanced exceeded by 344*l.* the total value of the work done. I understand that the general officer commanding has been asked to furnish a report on the subject; has that report come to hand?—It has come to hand; I cannot say it is particularly satisfactory. The surveyor (who has now left the service), explained that there was great pressure at the time, and that the staff who were measuring up the work as it progressed was inadequate, and that instead of measuring for these payments, he had made an estimate of the amount of work done based upon a similar con-

Advances to Contractors in Excess of Value of
Work Performed—continued.*Mr. Goddard*—continued.

tract which had occurred before. That was his explanation. It was by no means a satisfactory transaction, without question.

1645. Do you say that the officer responsible has been dismissed?—No; the surveyor who actually made these measurements had already left the service.

1646. I thought the officer responsible was an officer of the Royal Engineers?—He is not the man who makes the actual measurements; the man who makes the actual measurements is the surveyor.

1647. But the statement in the Report is that the advances "were made upon certificates given by officers of the Royal Engineers"?—Yes.

Mr. Pym.

1648. And it is stated in the last paragraph that reliance is necessarily placed "upon the certificates furnished by the officers entrusted with the duty of supervising the work." That was the officer of the Royal Engineers, I suppose?—It was the surveyor who supervised the work and measured it. It was not the Royal Engineer officer who actually made the measurement of the work as it progressed, it was the surveyor. The surveyor would be under the Royal Engineer officer at the station.

1649. It is the Royal Engineer officer who gives the certificate, as I understand; who do you consider is the person supervising the work?—The officer chiefly supervising the work is the Royal Engineer officer who happens to be in charge of the district; ultimately the commanding

22 May 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

BARRACKS ACT, 1890.

Advances to Contractors in Excess of Value of Work Performed—*continued.*Mr. Pym—*continued.*

manding Royal Engineer at the station. The person actually measuring for the work would be the surveyor.

1650. The report speaks of "the certificates furnished by the officers entrusted with the duty of supervising the work," and as I read it the officer supervising the work is the Royal Engineer officer who gives the certificate, and he is responsible for any failure there is with regard to any payment; is not that the way you would read it yourself?—I think I should go down beyond that; that is to say, the Royal Engineer officer would necessarily be to a very considerable extent led by what is told to him by the officer whose actual duty it is to make the measurements.

1651. But let me ask this: Who is the officer responsible to the Department or the State; is it the Royal Engineer officer, or is it the surveyor who makes the measurements?—The Royal Engineer officer, I take it, would be responsible in that sense, but simply responsible in so far as he correctly supervises the work of his subordinate. The actual measurement, and seeing how much work has been done, must necessarily devolve upon the person who actually makes the measurements.

Mr. Goddard.

1652. Surely that is not the rule upon which you work your army; you make the officer answerable for his subordinates; surely this transaction shows very great carelessness on the part of the officers of Royal Engineers who are responsible for the work, does it not?—I think it shows carelessness throughout.

1653. The money has been refunded, has it not?—Yes, the money has been refunded.

Mr. Austen Chamberlain.

1654. You say that the certificate was given by the surveyor; I understand that the surveyor would be a civilian surveyor employed under the military authorities?—Yes, he is a civilian surveyor employed under the military authorities, but I may say that although a civilian he is a regular employé; he is not employed merely for the job, he is a regular employé on the Engineer Staff.

1655. I think you told the Committee that he had left the service?—He has left the service.

1656. Had he left the service before this was discovered?—Yes.

1657. Under what terms had he left?—That I have forgotten.

1658. Did he leave with a pension?—I should imagine he did; the exact conditions under which he left the service I have not before me, but I think, in all probability, he left at the end of his time with a pension.

1659. Having reached the age for retirement?—Yes.

1660. When circumstances of this kind came to light after a pension has been awarded, would you think it right that the attention of the

0.14.

BARRACKS ACT, 1890.

Advances to Contractors in Excess of Value of Work Performed—*continued.*Mr. Austen Chamberlain—*continued.*

Secretary of State should be drawn to this default on the part of an officer in doing his duty with a view to re-consideration of the pension which had been awarded to him for good and faithful service?—That might, no doubt, be done.

1661. Was that done in this case?—I do not think it was done in this case.

Chairman.

1662. Who was it that refunded the money?—The contractor refunded the money. He was an honest man, and when he saw that his final bill came to less than the amount of the advances he received he repaid the money.

Mr. Blake.

1663. Is that Report from the general officer commanding which was ordered to be furnished to you available; have you got it here. I ask the question because your view seems to me very much to minimise what I understand to be the responsibility of the Royal Engineer officer in charge?—We have had two letters of explanation; I do not know if you would wish me to read them.

1664. I was anxious, if we could, to get a clearer apprehension of the case. I rather gathered that the general effect of your view to be that the business of the commanding Royal Engineer officer who was in charge was just to accept the certificate of this other officer, and that his responsibility was ended when he received such certificate. I had not supposed that that was the case?—I do not think it was quite that. Unmistakably it was his duty to exercise proper supervision over the various works that were going on, but at the same time, if he had not performed the actual measurement, and got a certificate from the surveyor who had made the measurement that the work measured up to a certain amount, it would be very difficult for him to check it. As regards his general responsibility, he is responsible for what goes on at the place.

1665. Was this a contract for a fixed sum, because what appears is that on the certificate the advances made were within 75 per cent. of the work already done; and then it turned out that the advances so made exceeded the entire value of the whole work when completed?—It was a measurement contract, and that was part of the reason why this occurred. But the Report from the station says that they would abandon that form of contract for a lump sum contract in which the same difficulty would not occur.

Mr. Pym.

1666. I see in the Report of the Comptroller and Auditor General it is said, "subsequently, however, it was found that the advances which had been certified as covering not more than 75 per cent. of the value of the part of the work done when they were made had exceeded by

Q 2

344l. 17s. 9d.

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

BARRACKS ACT, 1890.

Advances to Contractors in Excess of Value of Work Performed—*continued.*Mr. Pym—*continued.*

344l. 17s. 9d. the entire value of the work when completed." How long after the completion of the work was it discovered that the contractor had received more than was due to him? It is a long way back here. The Report says that two advances were made and charged against the Barracks Act Accounts for the years 1896-97 and 1897-98, as final payments. It seems a long time ago, that we should only have a record of it at the present moment?—I am afraid I cannot explain that.

Mr. Goddard.

1667. Perhaps you would like to look into that point, and give us your answer afterwards when you deal with the other points about which you were asked?—What the honourable Member wishes to know now, as I understand, is in what way that over-payment really came to light, and how it was that the money was recovered?

Mr. Pym.

1668. Yes; the date when it came to light?—I will look into that.

Mr. Goddard.

1669. There was also a question that was asked by Mr. Chamberlain which I think you were unable to answer at the moment, in regard to the pension of this surveyor?—That I can answer at once. I think I can say certainly that the pension has not been affected.

Mr. Austen Chamberlain.

1670. Then as you are now confident that the pension was not affected, would you tell me whether that was because his service had already terminated, or because on a review of the circumstances, it was held that he did not merit any diminution of pension?—I am not sure that the point was actually raised; but I think you may take it that it was not raised because it was scarcely thought that the misfeasance, in the circumstances, was such as to merit a pecuniary fine of that kind.

Mr. Pym.

1671. Were they aware, when his pension was granted, of this having occurred?—No, I think not.

Mr. Austen Chamberlain.

1672. Perhaps I misunderstood you; do I correctly gather that you did not intend me to understand that the mere fact that this man had left the service would necessarily be held by the War Office to close all accounts between him and them, and prevent the War Office from taking any steps to mark their displeasure if they thought his conduct merited such steps being taken?—No; if there was any gross misfeasance by a man who had received a pension, discovered afterwards, there would unmistakably be occasion for reviewing such pension as he had received.

BARRACKS ACT, 1890.

PURCHASE OF LAND AT WOKING.

Chairman.

1673. With regard to the purchase of land at Woking, referred to in paragraph 7, it is so curious a case that I think I must take you through it *seriatim*. The War Office were converting the Female Prison building at Woking into an artillery barrack, and they desired to purchase 7½ acres of land from the Necropolis Company; was that so?—That was so.

1674. Lord Lansdowne applied to the Treasury, and permission was given to offer 2,000l.; but the Necropolis Company refused to take less than 2,533l.?—That is so.

1675. The War Office then, with Treasury sanction, proceeded to take compulsory powers; is that so?—That is so.

1676. Turning then to page 7 in the War Office letter of the 26th March 1900, I find this: "The first step in the compulsory proceedings was taken by the Treasury Solicitors in December 1896, under the Provisions of the Defence Act, 1842, and it was not until June 1897 that the solicitor became cognisant of the fact that the site was required for barracks, which made the Defence Act procedure inapplicable." Then when the Treasury Solicitor was instructed, it appears he was not told that the site was required for barracks; and in consequence of that six months was lost, when he found that he had got to proceed under the Military Lands Act, 1892, and not under the Defence Act of 1842; then it was so late in the Session of Parliament that the Act could not pass that year, and it was postponed until 1898; is that so?—That was so.

1677. In the meanwhile, it appears that the land had been sold to somebody else, and that somebody else immediately started a brickfield, and he claimed 6,457l. for the property?—Yes.

1678. Then it went to arbitration, and the arbitrator awarded 6,839l.?—Yes.

1679. In the end it turned out that, as the War Office could not possibly do without the land if they had artillery barracks there, the arbitration award had to be paid, which amounted to 6,839l.?—That is so.

1680. The first question I should like to ask is: How was it that the solicitor was not properly instructed under what Act he was to proceed?—We sent the whole file of papers to the solicitor, showing exactly what was the land required, and what was the purpose for which it was required. We considered it deducible from the papers that the land was required for barracks and not for defences.

1681. You think it was his laches in not understanding properly the instructions he received?—I am afraid that is our view. Perhaps you would refer to Mr. Chalmers upon that point.

1682. (To Mr. Chalmers.) Can you throw any light upon this point as regards the solicitor?—I do not think the solicitor would take the same view as the War Office upon that point; the solicitor's view would be this: that he was instructed in December 1896, but was not informed that the land to be acquired was to be used

22 May 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

BARRACKS ACT, 1890.

Purchase of Land at Woking—continued.

Chairman—continued.

used for the erection of barracks. Had he been so informed no steps would have been taken under the Defence Act of 1842, which could not be used for the compulsory acquisition of land for barracks. When the solicitor ascertained, in June 1897, for what purpose the land was to be acquired, proceedings were at once commenced under the Military Lands Act, 1892, but as the procedure under that Act requires a special Act of Parliament for each acquisition, such Act could not be obtained until the following year, under the Standing Orders.

1683. But it was six months before he understood he was proceeding under the wrong Act?—I have tried to explain the view which the Solicitor holds upon the matter. I thought the Committee would probably touch upon that question, and I have read his explanation.

Mr. Pym.

1684. Then were wrong instructions given him?—I believe the fact is that there were no instructions, strictly speaking, at all, but there was a bundle of papers sent to him; but I cannot go beyond that.

Sir Robert Mowbray.

1685. (To Mr. Marzials.) I understood you to say that these letters in this correspondence printed here in the account were sent to the Treasury Solicitor. Is that so?—Not specially the correspondence that is here printed. I meant the whole correspondence that took place with regard to the purchase; that would include the correspondence which is here printed.

1686. But each of these letters distinctly refers to the place as being required for barracks?—The correspondence which is here printed formed part of a general correspondence relating to the acquisition of the land, which general correspondence went to the Treasury Solicitor when he was requested to proceed. His contention is that we ought to have made a special *précis* of the purposes for which we required the land, and that thereby he would have acquired the knowledge that it was required for barracks rather than for defence. Our view is that if he had looked at any of the letters in that correspondence he would have seen what was the state of the case.

Mr. Goddard.

1687. Who is the valuer employed by the War Office to determine the value of such land as this?—Mr. Elwell.

1688. How came he to value this land at 2,000*l.*, and to consider that 2,533*l.* was too much for it, when on its going to arbitration it was valued at more than double that sum?—Of course, one very distinct point was that when he valued the land there were no brick-making operations going on there at all. When we purchased it there were brickfields in actual operation going on, for which we had to compensate the owner. I asked the valuer with regard to the brickfield, did you appreciate that there

BARRACKS ACT, 1890.

Purchase of Land at Woking—continued.

Mr. Goddard—continued.

was brick-earth at this place? He said that he appreciated that there was brick-earth, but he did not consider that it was brick-earth which of itself inherently was worth working.

1689. Apart from the question who was responsible for going for compulsory powers and all the difficulty that arose from that complication, what I want to know is, who was it who advised you or suggested that this was too high a price; it was an offer that ought to have been jumped at considering the position of the land and the circumstances?—Of course that is knowledge after the thing has been done. As regards the transaction itself, there was a very great question in the mind of the War Office itself before the transaction was entered into, as to whether it was desirable to go for compulsory powers or not. Finally, as it turns out very mistakenly, the decision was that it would be better to go for compulsory powers, because the War Office thought that these people were trying to squeeze the War Office, and it was desirable that the War Office should not be squeezed. As a matter of fact that turned out to be a miscalculation, and we have had to pay very heavily for it.

1690. You had to pay twice the sum per acre that you might have paid if you had bought when it was offered to you?—I am bound to admit that.

1691. Is this valuer a permanent official?—He is not a permanent official; he has been employed for some number of years.

1692. Is he paid by fees?—He is paid partly by salary for ordinary work, and partly by fees as regards specific purchases.

1693. Is his salary put into the Estimates?—Yes, I think it is on Vote 12.

Mr. Pym.

1694. Apparently from this letter of the War Office of the 26th March 1900, the whole difficulty of the increase of price was the result of there being a misunderstanding at the Treasury with regard to the nature of the work which was to be done?—I would not say that: It was partly the delay which enabled a state of things to be established on that piece of land which antecedently did not exist; but to say that the whole thing turned upon that delay is, I think, overstating it.

1695. I am only going by this letter of the 26th March. There it is stated that this delay occurred because the Treasury Solicitor had mistaken the Act under which these powers were to be obtained, that is to say, he thought he had to act under the Defence Act of 1842 instead of the Military Lands Act of 1892, and that a delay of six months elapsed in consequence of that. Is not that correct?—The letter states positively that that delay occurred through that misapprehension; that is accepted.

1696. Then I want to come to this point: I want to find out how that misapprehension arose. If you will turn back to page 5 you will see there the War Office letter of the 22nd

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Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

BARRACKS ACT, 1890.

Purchase of Land at Woking—continued.

Mr. Pym—continued.

November 1895: "Sir,—In order to convert the Female Prison Buildings at Woking into a barrack for three batteries of field artillery." "It is necessary to purchase the land," and so on. Surely, that is plain enough as to the purposes for which the land was going to be acquired?—Perfectly; but of course the Treasury Solicitor says that in the file of papers that came to him special attention was not drawn to that letter, and therefore he did not know of its existence.

1697. That is the first letter that they got; it is perfectly plain there. There could not be any misunderstanding as regards the object for which the land was purchased. I should imagine that the Solicitor to the Treasury would have known at once that he would have to act if it came to compulsory powers under the Military Lands Act, and not under this Defence Act of 1842; would not that be your reading of it; would not you think that that would be the simple conclusion which the Treasury Solicitor would arrive at with that information?—Of course, I somewhat hesitate to make an attack upon the Treasury Solicitor, but I think the papers sent to him supplied the information required.

Mr. Blake.

1698. You say he had these letters printed on page 5, (A), (B), (C), (D), and so on, which are letters antecedent to and including the authorisation of the Treasury to proceed compulsorily?—Yes, they formed part of the correspondence that was referred to him.

1699. In point of fact he had so much information that it amounted to nothing, because there was too much to read?—Yes, I am afraid he was smothered with it.

1700. I think I understood you to say that a portion of the enhanced value which you had unfortunately to pay was really in view of brick-making operations having commenced on this property?—Unmistakably.

1701. I think, if I understand it rightly, mistakenly; because the statement here at page 7, letter (I) is, "meanwhile the land, or part of it, had passed into the hands of Mr. Avery Tyrrell, who had commenced brickmaking on the adjoining property, and demanded a still higher price for the site required by the War Department mainly on account of the interference with his business." And then it says again in paragraph 10, that "the establishment of the brick-making industry considerably enhanced the value." It is not, therefore, a matter of compensation by reason of any works having been commenced on the property itself, but that he had since opened brickmaking operations on an adjoining property which made this property specially valuable to him; that is how I read paragraph 7 and paragraph 10 of letter (I)?—He had purchased the land and was starting brickmaking on the adjacent land, and my recollection certainly was that he was beginning brickmaking on the land itself; but that, as you say, does not appear in the letter.

BARRACKS ACT, 1890.

Purchase of Land at Woking—continued.

Mr. Blake—continued.

1702. There is one other question I should like to ask: Your consulting land agent or valuer valued this land at 2,000*l.*?—Yes.

1703. The Woking Company offered to take 2,533*l.*, and the question was whether you should buy at that price or proceed compulsorily?—Yes.

1704. In proceeding compulsorily, assuming 2,000*l.* to be the value, as the War Office thought it, you were face to face, were you not, with the fact that there would be an extra 10 per cent. for compulsory expropriation?—That was so.

1705. So that would make it up to 2,200*l.* unless you were able to get it below your own agent's valuation; and, of course, there were certain other expenses (lawyers do not work for nothing) so that the margin was only 333*l.* less whatever expenses you might be called upon to pay in the compulsory proceedings. Moral,—It would have been better to come to terms with your adversary in the gate?—Quite so. It was fully recognised at the time that the amount which would probably, or I may say possibly, have been gained by going to arbitration was small; but the view that prevailed (it was not the universal view at all), at the War Office was that it was very undesirable that at every purchase which we went into we should be unduly squeezed. That was really what prevailed. As a matter of fact, so far from being an object lesson of that kind, it was an object lesson in the opposite direction.

1706. In fact this was a council of war that did decide to fight?—Unfortunately.

Mr. Banbury.

1707. Inasmuch as the valuer has made such a very serious error, an error of 100 per cent. (because you had to pay double the price for the land), have any steps been taken to check the valuer in future should he value again on another occasion, or does the War Office still continue to trust implicitly in his judgment notwithstanding that he has made this serious error?—He is still employed as valuer, no doubt.

1708. I see the first negotiations were in November 1895. In March 1896 the Treasury confirmed the proposal of the War Office that steps should be taken for compulsory purchase; now, as I understand, the War Office were under the impression that they were being asked more than they ought to be for the property, and that was the reason that they decided to take steps for compulsory purchase; that being so, and as they were under the impression that these sellers were trying to get the better of them, did it strike them that if they waited from March 1896 until December 1896 (that is nearly a year) before they had begun even to consult the solicitor, these people might make some arrangement with some bogus purchaser in order to establish some business or something upon the land, so than when compulsory purchase did come on they might be able to say, "Oh, we have spent money upon this

22 May 1901.]

Mr. CHALMERS, C.B., Mr. RICHMOND, and Mr. MARZIALS.

[Continued.]

BARRACKS ACT, 1890.

Purchase of Land at Woking—*continued.*Mr. *Banbury*—*continued.*

this to the extent of so-and-so, and now we must have a great deal more than we asked before"?—I am afraid that is another miscalculation that has been made in this very unfortunate business. It was thought at the time to be undesirable to press the vendors, because if we looked as if we were particularly anxious to get the property they would keep up their price, whereas if we hung back they would come down to ours.

1709. But they knew you had got these buildings, and that you intended to convert them into artillery barracks; I suppose you did not put it out to the world that you intended to leave the buildings at Woking as a female prison, and had abandoned all idea of converting them into an artillery barracks?—No, I do not know how far it would be open to them to know that this piece of land was absolutely indispensable to us, or whether we could get other land somewhere else for the purpose. The impression which was in the minds of those conducting the negotiations at that time was that the vendors did not know how very desirable it was for us to have that property, and that

BARRACKS ACT, 1890.

Purchase of Land at Woking—*continued.*Mr. *Banbury*—*continued.*

if we held back they would come forward to meet us.

Mr. *Austen Chamberlain.*

1710. You were asked some questions about paragraph 7 of that War Office letter (I) on page 7. Am I right in understanding that Mr. Tyrrell had established his brickworks on adjoining property, but was obtaining his brick earth from the property which you wished to acquire?—I am afraid I cannot tell you that.

Chairman.

1711. You know, of course, how very rapidly ground values change in that particular part of the country near Woking?—I was not aware of that.

1712. At any rate, from this occurrence, you will take care that the solicitor understands his instructions for the future; and I suppose you will take care to buy, as soon as you can, any land which you must really necessarily have?—We will endeavour to do so.

[The Witnesses withdrew.]

Wednesday, 12th June 1901.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Banbury.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.

Mr. Goddard.
Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Herbert Lewis.
Sir Robert Mowbray.
Mr. Pym.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Mr. DOUGLAS CLOSE RICHMOND, called in; and Examined.

Chairman.

1713. HAVE you since the last meeting of the Committee been able to complete the inquiries you were making for us with regard to the Victualling Stores?—My examination of the transactions of the Home Victualling Yards has now been completed. Accepting, as I think I have the right to do, the voluminous documents furnished by the Admiralty as complete, that is to say, without going into the elaborate process of comparing every single voucher with the Admiralty Ledgers—and I have no reason whatever to suppose that the documents are not quite complete as handed to me—I can report that nothing irregular has been found, nothing whatever in any way to support the allegation that has been under the notice of the Committee. I have also obtained and examined the reports of the condemnations of Building Works Stores. These condemnations, in so far as they affect unused stores, are very few and of slight value, and I find nothing whatever to call for attention. I am not sure whether I have already mentioned that the sales of Building Works Stores take place concurrently with those of Naval Stores, and that consequently, as I have already said about Naval Stores, no sales of these Building Works Stores took place in the month of April in any one of the three years 1898, 1899, 1900. The general

Chairman—continued.

principle which governs the sales of Admiralty Stores, as regards Naval Stores and Victualling Stores, holds good also here: that is to say, nothing is sold merely on Yard authority, but everything comes up for Central approval. I may say, on the whole, that having scrutinised the returns as regards these three classes of Admiralty Stores I have satisfied myself that the particular allegation made is not found to be substantiated in any one of the three years in question, and further, that the safeguards which surround the sale of all Admiralty Stores are such as to render any irregularity of this kind in the last degree improbable, and I can safely say if anything of this kind became, as was suggested, a practice, it would infallibly be brought to light in the course of the audit of my Department.

1714. Unless any honourable Member wishes to ask any question I think we may consider the incident closed. I think I may take it that we are pretty well satisfied that the allegations contained in Mr. Fitzalan Hope's letter are unfounded. We are very much indebted to the Comptroller and Auditor General for the manner in which he has conducted these inquiries for us, which must have been very laborious?—I am very happy if I have been of any assistance to the Committee.

ARMY APPROPRIATION ACCOUNT, 1899–1900.

BETHNAL GREEN MILITIA BARRACKS.

Mr. ROBERT CHALMERS, C.B., called in; and Examined.

Mr. Austen Chamberlain.

1715. (To Mr. Chalmers). WE have before us some papers which have been handed in to the Committee, being "Correspondence relating to the occupation of the Bethnal Green Militia Barracks by the Committee of St. John's National Schools." The correspondence, as printed, ends with a letter from the War Office to the Treasury dated the 5th June 1901, and does not include

Mr. Austen Chamberlain—continued.

any reply from the Treasury; has any reply yet been made to that letter?—A reply has been sent under date of to-day, which, if the Committee desire, I will read.

1716. Will you please read it?—This is the letter addressed to the Financial Secretary of the War Office, under date the 12th June 1901: "My Lord,—I am directed by the Lords Commissioners

12 June 1901.]

Mr. RICHMOND and Mr. CHALMERS, C.B.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Bethnal Green Militia Barracks—*continued.*Mr. Austen Chamberlain—*continued.*

missioners of His Majesty's Treasury to acknowledge the receipt of Mr. Marzials' letter of the 5th instant" (that is the last one that the Committee have in the correspondence) "intimating, by direction of Mr. Secretary Brodrick, that a sum of 50*l.* has now been paid on behalf of the St. John's National Schools in respect of the occupation of the Bethnal Green Militia Barracks. In reply, I am to request you to intimate to the Secretary of State that whilst my Lords adhere to the view already expressed by the Treasury that any payment is inadequate which does not cover (among other outgoings) the whole ground rent of 90*l.* per annum payable by the War Office in respect of the premises, it is clear that at this stage of the proceedings, and in view of the legal advice obtained by the Secretary of State and this Board, my Lords cannot carry the matter further. To this extent, therefore, their Lordships concur with the Secretary of State in accepting the 50*l.* now paid. I am, however, to repeat what was said in the Treasury Letter of 3rd July 1899, viz.: that my Lords regret that their previous sanction was not sought, and that in permitting the Committee to occupy the premises the War Office should have left the settlement of terms for subsequent arrangement."

1717. There is one other question I should like to ask. In the correspondence which was handed in by the War Office, in the letter of the 12th June 1900 from the War Office to the Treasury it is stated that: "The Treasury Solicitor advises that the War Department is not in a position to take legal proceedings for the recovery of the rent demanded with any reasonable prospect of success." Then the letter goes on, after quoting a passage from a letter by Mr. Keymer in the earlier portion of the correspondence to say, "the Treasury Solicitor thinks that if this letter was written by direction of the committee they would be bound by it." Did the Treasury, before writing the reply of the 29th June 1900 signed by Mr. Hanbury, consider whether any action could be taken on that letter?—Yes, the Treasury did consider the point.

1718. With what result?—The Treasury was satisfied that the letter did not bind the committee to pay the 50*l.*

Mr. Blake.

1719. I would like to understand a little more clearly what you mean by that. The Treasury Solicitor, upon whose advice you were presumably acting, said that the committee would be bound by that letter if it was written by their direction?—Yes.

1720. Do you mean to say that the Treasury

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Bethnal Green Militia Barracks—*continued.*Mr. Blake—*continued.*

satisfied themselves that it was not written by the direction of the committee?—The Treasury Solicitor's opinion is hypothetical, as the honourable Member will observe. As a matter of fact, it was ascertained that the Solicitor was not in a position to advise that that letter did bind the committee.

1721. No; because, as you say, his opinion is hypothetical, and the hypothesis is this: "If this letter was written by direction of the committee"; did the Treasury obtain from any source any information upon the subject, whether the letter, in fact, was written by direction of the committee, or not?—The Treasury did not obtain such information. There was only the letter before the Treasury. The Treasury was aware of that letter, and on that the opinion of the solicitor was taken as to whether, as a matter of fact, he would advise that the letter did bind the committee to pay the money.

1721*. That is a matter of fact; of course Mr. Keymer's authority to bind the committee could only be inferred from the letter; it could not be established by the letter, because, of course, Mr. Keymer might have misstated the fact; but that was a question of fact not of law. On the question of law the solicitor said, if this letter is written by the authority of the committee it binds the committee, in effect, to pay the 50*l.*, and therefore the only question was whether Mr. Keymer was stepping beyond the bounds of his authority in writing that letter. No steps were taken to ascertain that fact, I understand?—No.

1722. But at the time you were writing this letter it was not material, because the 50*l.* which was promised and agreed to be paid by the letter was offered at that time?—No; the 50*l.* had never been offered so far as the Treasury know; the 50*l.* did not come in until quite a late date.

1723. Quite so; but when you wrote your letter in June the 50*l.* had come in, and the War Office had taken it?—No, the 50*l.* came in in 1901, not 1900.

1724. I mean when you wrote your letter of to-day's date in answer to this letter of the 5th June 1901?—Yes; I beg your pardon; I did not understand your question to refer to that letter.

1725. Have there been any intermediate inquiry on the subject of this advice of the solicitor which is quoted in the letter of the 12th June 1900?—There had been no intermediate inquiry as to the facts.

1726. And everything rested on the state of the facts as regards the state of the law as described in the letter of the 12th June 1900?—Yes.

Mr. FRANK THOMAS MARZIALS, called in; and Examined.

MILITARY WORKS ACTS ACCOUNT.

Chairman.

1727. (To Mr. Marzials.) I think there were one or two points at the last sitting of the 0.14.

Chairman—*continued.*

Committee which you were to give us some further information upon?—Yes, there was a point

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Mr. RICHMOND, Mr. CHALMERS, C.B., and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Military Works Acts Account—continued.

Chairman—continued.

point in regard to the Military Works Acts Account about which Mr. Blake asked me a question. I think it would be best if I read to the Committee the letter which the War Office wrote to the Treasury upon the subject.

1728. Will you remind us of what the point was?—There was a sum of 25*l.* 1*s.* included in the Military Works Account as a repayment to the vendor of some land on account of half the expense of the umpire's fees, and the honourable Member asked me to explain under what circumstances half the umpire's fees had been repaid to the vendor in that particular case. This is the letter which the War Office wrote to the Treasury on the subject on the 9th May 1900: "Sir, I am directed by the Secretary of State for War to acquaint you, for the information of the Lords Commissioners of Her Majesty's Treasury, that in connection with a recent acquisition of about 59 acres of land on Salisbury Plain, the War Department offer of 700*l.* having been declined by the owner, who asked for 800*l.*, the matter went to arbitration under the Military Lands Act, with the result that the umpire awarded 480*l.* as the value of the land. The owner having been called upon—under the provisions of the Lands Clauses Act—to pay half the amount of the umpire's fee, 50*l.* 2*s.*, his solicitors have declined to pay his moiety, viz., 25*l.* 1*s.*, alleging that he had suffered extreme hardship by the forced sale of the property at a price so much below what had been offered to him, that he had incurred other costs amounting to over 200*l.*, which he is not in a position to pay, that his property had already been mortgaged, and that he is without resources. The Treasury Solicitor advised, in the first instance, that the vendor should not be called upon to bear the charge, although legally liable, but Lord Lansdowne did not feel justified in accepting that advice without making an application for payment. Payment has now been refused, and, having regard to the circumstances of the case and particularly to the fact that the land has been acquired for a very moderate sum, as also that the vendor is in India, and recovery by legal process, if practicable at all, will be difficult and probably costly, I am to recommend for their Lordships' favourable consideration that the claim may now be waived and the liability borne by this Department, the amount (25*l.* 1*s.*) being charged to the same head as the purchase money, viz., Military Works Loan, Head 3, Sub-Head (2), on which funds are available.—I am, Sir, your obedient Servant, Frank T. Marzials." To which the Treasury replied: "Sir,—I have laid before the Lords Commissioners of Her Majesty's Treasury Mr. Marzials' letter of the 9th instant, relative to certain costs of arbitration, under the Military Lands Act, respecting the price of 59 acres of land on Salisbury Plain. The price having been fixed by the umpire at 480*l.* (as against 800*l.* demanded by the owner, and 700*l.* proposed by the War Office) the owner refuses, through his solicitors, to pay the moiety of the umpire's fee due from him; and the

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Military Works Acts Account—continued.

Chairman—continued.

Marquess of Lansdowne states his reasons for recommending that the claim for this sum (25*l.* 1*s.*) should be waived. Having regard to all the circumstances of the case as detailed in the letter under reply, my Lords sanction the proposed waiver and the charge of the amount to the same head as the purchase money of the land, viz. Military Works Loan, Head 3, Sub-head (2), on which funds are available." That explains the circumstances, I think.

Mr. Gibson Bowles.

1729. That land was 59 acres?—59 acres.

1730. The arbitrator awarded 480*l.*?—Yes.1731. That was at the rate of rather more than 8*l.* an acre?—Yes.1732. That compares favourably with the 12*l.* and 13*l.* which were paid in other instances?—Yes.*Mr. Herbert Lewis.*

1733. Was it the same arbitrator who acted in that particular case as acted in the other case?—The umpire specially appointed to act in this particular case was Mr. Clutton; I do not remember who the other arbitrator was.

STORE ACCOUNTS.

Chairman.

1734. Is there any other point that you wish to clear up?—There was a question which is referred to on page 221, in paragraph 6 of the Comptroller and Auditor General's Report on the Store Accounts, with regard to blankets. What happened about the blankets was this: The consignments, consisting often of many bales, came in from the contractors, and were partly inspected. Before the full inspection could take place, the inspected portions were required for issue, and issued. Meanwhile, further consignments came in, so that it was impossible, from want of space, to deal further with the uninspected portions of the original consignments. The inspected and issued goods were shown on the ledgers as issues; but owing to the system which obtains at Woolwich, it has not been customary to pass to the ledger keepers for entry an inspection note for any portion of a consignment. The ledger keepers therefore had, as it were, no entries of stock in their ledgers to meet the issues, and the ledgers would, on the 31st March 1900, have shown issues of goods not in possession. In order to meet this difficulty they entered in their ledgers receipts or inspection notes for completed consignments, as they came to hand, although, as stated by the Audit Office, those inspection notes were in some cases for goods not received at the dockyard till after the 31st March 1900. As the goods so entered had actually been received and inspected, the entry in the ledgers would make no difference in the end, taking two or more years together. The rush at that time at Woolwich was tremendous. I think, reviewing the circumstances, it would have been better to make the entries in the

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Mr. RICHMOND, Mr. CHALMERS, C.B., and Mr. MARZIALS.

[Continued.]

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Store Accounts—continued.

Chairman—continued.

the ledgers as the articles passed inspection, without waiting till the whole consignment had been dealt with. The thing was done at a time of extreme pressure, and the circumstances are not likely to recur. I have given directions that the difficulty, if it does recur, is not met in the same way.

BARRACKS ACT ACCOUNT.

Chairman.

1735. Are there any other points you wish to clear up?—There was a question asked by an honourable Member with regard to a case under

ARMY APPROPRIATION ACCOUNT, 1899-1900.

Barracks Act Account—continued.

Chairman—continued.

the Barracks Act of an overpayment which was afterwards recovered, on account of some barracks which had been constructed at Malta. In that case the surveyor had made an incorrect return as to the measurements, and an honourable Member asked me whether that surveyor had retired before the mistake was found out. I find that he had retired before the mistake was found out. He retired in February 1898, and the full measurement showing that an overpayment had taken place was not made till after that date. I think those are all the points I was asked to clear up.

ANNUAL ACCOUNTS OF THE ROYAL ARMY CLOTHING FACTORY.

Colonel F. E. MULCAHY, called in; and Examined.

GENERAL OBSERVATIONS.

Chairman.

1736. WITH regard to the Clothing Factory, there appears to have been 70,000*l.* worth of clothing made during the year under review. Did that require additional hands to be employed?—Yes. The number of hands has been increased slightly; but principally the increase was met by overtime.

1737. You say it was met principally by overtime?—Yes, within the Factory Acts.

1738. Of course the increase was all due to the war?—Yes, entirely.

1739. I suppose you have the power at the Clothing Factory of easily increasing your hands in time of necessity at any time?—The factory accommodation is limited; it is now working at its maximum capacity.

BALANCE SHEET.

Chairman.

1740. Do you observe from the second paragraph of the Comptroller and Auditor General's Report that there has been a mistake in the charging of the salaries of the late Director of the Factory and the Principal Clerk; they appear in the Appropriation Account to have been charged for the whole year, whereas in the Balance Sheet they are only charged up to the time they left the factory, in December 1899 and January 1900?—Yes. That is a question which I think the Accountant General could answer better than I can.

1741. What I wanted to ask was whether that would be corrected in the next account?—I think it is hardly a mistake, according to the Account-
0.14.

Balance Sheet—continued.

Chairman—continued.

ant General's view, if you will ask him about it. It is simply a matter of the form of the account as I understand it.

1742. (To Mr. Richmond.) Will this discrepancy, whatever it is, be corrected in the next account?—The account is final as it stands; the mistake will not affect the account next year; it merely means that a certain sum is charged under one Vote which, in strict accuracy, should have been charged under another; it is all covered by the Appropriation Account this year.

1743. The Appropriation Account shows, in Vote 8, the salaries for these two officers for the whole of the year?—Yes, for a longer period than they actually served in the factory.

1744. The balance sheet shows it up to the time they left the factory?—Yes.

Mr. Gibson Bowles.

1745. You are quite satisfied?—Yes, it is only a matter of account and classification.

Mr. Herbert Lewis.

1746. (To Colonel Mulcahy.) Is any portion of the work of which we have an account here, done outside the factories?—No, this account refers solely to what is done inside the Clothing Factory.

1747. I am not sure whether this question comes quite properly under this Vote; but with regard to the price charged to soldiers in the field for articles of clothing which they may buy, are they charged cost price?—Yes, they are charged
R 2

12 June 1901.]

Mr. RICHMOND, Mr. CHALMERS, C.B., Mr. MARZIALS, and
Mr. MULCAHY.

[Continued.]

ANNUAL ACCOUNTS OF THE ROYAL ARMY
CLOTHING FACTORY.

Balance Sheet—continued.

Mr. Herbert Lewis—continued.

charged cost price, with a slight addition for the cost of inspection, which, of course, is really the cost price.

1748. Then there is no foundation for the complaints which have recently been made of alleged excessive charges for articles of clothing sold to the troops in the field?—If the regu-

ANNUAL ACCOUNTS OF THE ROYAL ARMY
CLOTHING FACTORY.

Balance Sheet—continued.

Mr. Herbert Lewis—continued.

tions are carried out that allegation would be without foundation.

Mr. Blake.

1749. This is only the manufacturing account, so far as I can see?—Yes.

[Colonel Mulcahy withdrew.]

ARMY (ORDNANCE FACTORIES) APPROPRIATION ACCOUNT.

EXPENDITURE IN ANTICIPATION OF VOTE.

Chairman.

1750. (To Mr. Marzials.) WITH regard to paragraph 2 of the Comptroller and Auditor General's Report on the Appropriation Account for the Ordnance Factories, it appears that outside the repayment services there was money expended without any Vote from Parliament until August; will that be corrected another time, so that the Vote shall be taken in March?—That is really rather a matter for Parliamentary administration than for my consideration departmentally. Our strong desire always is that the Vote should be taken in March; but that does not happen always to fall in exactly with Parliamentary arrangements, and the consequence is that in the year under review and the previous year, the Vote was not taken until somewhat later; and, in fact, in this current year though the Vote has been taken now, it was not taken before the 31st of March.

1751. That is a matter that rather rests with the Secretary of State than with you?—It rather rests with the Secretary of State and the Government generally than with me to settle when they shall take the Vote. We represent the desirability of the Vote being taken earlier, but we have of course no power of control as to when it should be taken.

Mr. Cohen.

1752. You have not power of control as to when they should be taken, of course, but have you power to spend the money until the Vote has been taken?—I am afraid practically the factories could not stop and suspend operations until such time as the money is voted by Parliament. One must regard it, I suppose, as a sort of condonation on the part of Parliament that they vote it afterwards.

1753. Does this often take place?—It took place in the year under review, and has taken place in the current year.

Mr. Gibson Bowles.

1754. Would you look at paragraph 1 of the Comptroller and Auditor General's Report on page 11; I will draw your attention to certain words in it. In the second sub-paragraph of paragraph 1 it is said: "Parliamentary sanction was given to an additional expenditure of 471,000*l.* to be met to the extent of 424,000*l.* by the appropriation of further receipts." Now does that imply that Parliamentary sanction was given to the appropriation of the receipts, or were such appropriations made in the usual way by direction of the Treasury?—No; those receipts were voted by Parliament—that is to say, Parliament, having the estimate before it, said that a certain amount of expenditure was to be incurred, which expenditure was to be met by anticipated receipts from the Army or the Navy, or the Colonies or India, as the case might be. That was the allocation of Parliament—not the allocation of the Treasury.

1755. Surely Parliament does not allocate Appropriations in Aid. (To Mr. Chalmers.) I do not know whether you see the point I am raising. It is suggested in the second paragraph in the Report that Parliament has sanctioned the appropriation of further receipts in aid of a Vote. What I asked was: was that a parliamentary direct sanction or was the sanction to the appropriation of those receipts given by the Treasury in the usual way under the Public Charges Act?—Not by the Treasury. The Treasury powers under the Act to which the honourable Member refers are limited to stating that certain receipts may be treated as Appropriations in Aid; but it is for Parliament and Parliament alone to appropriate it. It is for the Treasury to say that certain things are proper to be appropriated, but the actual appropriation is, of course, a matter that is vested entirely in the House of Commons, and I think the honourable Member will

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Mr. RICHMOND, Mr. CHALMERS, C.B., and Mr. MARZIALS.

[Continued.]

ARMY (ORDNANCE FACTORIES) APPROPRIATION ACCOUNT.

Expenditure in Anticipation of Vote—
continued.

Mr. Gibson Bowles—continued.

will see that is so by reference to the schedules to the Appropriation Act, which is the ultimate Parliamentary sanction for these proceedings.

1756. Yes, no doubt, when they are finally appropriated; but this paragraph reads as though it is suggested that Parliament had by vote appropriated certain receipts as Appropriations in Aid; that is why I asked for information upon it?—Of course, the paragraph is the paragraph of the Comptroller and Auditor General.

1757. (To Mr. Richmond.) May I ask what you intended to import by the second line of the second sub-paragraph of your Report: "Parliamentary sanction was given to an additional expenditure of 471,000*l.* to be met, to the extent of 424,000*l.*, by the appropriation of further receipts"?—I mean that it was contemplated that, to the extent of 424,000*l.*, goods would be obtained from the factories by the Army and other customers, the greater part of the expenditure of the Ordnance Factories being so covered; but it was contemplated that over and above that, there would be a call for money to increase the capital value of the plant of the factory, and therefore an additional Vote was taken for 47,000*l.* The exceptional point is that Supplementary Vote of 47,000*l.*; as a rule you take only a Token Vote of 100*l.* or so.

1758. Coming on to the next paragraph, was the 47,000*l.* rendered necessary by the failure of any of these Appropriations in Aid?—I should think it was intended to represent an improvement in the capital value; but, probably, that is a matter which the War Office will explain more fully. (Mr. Marzials.) That is so.

1759. (To Mr. Richmond.) Now we come to the third paragraph, which I may read: "Expenditure in excess of the Estimate was incurred under Sub-heads B, F., and G. The amount of this excess expenditure, together with that under a new Sub-head, 'Compensation to Contractors,' was 7,640*l.* 19*s.* 3*d.* On the other hand, there were savings under Sub-heads A, C, D, E, amounting to 29,266*l.* 4*s.* 7*d.* The total net expenditure was 3,768,474*l.* 14*s.* 8*d.*, showing a net saving upon expenditure of 21,625*l.* 5*s.* 4*d.* Under Appropriations in Aid, the realised receipts fell short of the estimated amount by 31,863*l.* 6*s.* 10*d.* The account thus shows a net deficit of 10,238*l.* 1*s.* 6*d.*, which, as in previous years, has been charged against the Ordnance Factories Supplies Suspense Account." Now that is the first point I want to come to. Am I right in concluding that there is a suspense account with regard to the Ordnance Factories?—Certainly.

1760. Is it a suspense capital account or a suspense trading account?—It is set out on page 3 of this Account. It is a suspense account, which is built up by profits from year to year, and drawn upon from year to year as occasion may require, for deficits.

ARMY (ORDNANCE FACTORIES) APPROPRIATION ACCOUNT.

Expenditure in Anticipation of Vote—
continued.

Mr. Gibson Bowles—continued.

1761. Then this Ordnance Account is one of the few accounts in which there is a constantly open account; that is to say, it is not closed at the end of each year?—That is so, I think.

1762. While you put on the one side any profit realised, on the other side you put any deficit that may have been experienced?—Yes, I think that is correct.

1763. Now I come to the last part of this paragraph: "The Treasury Letter of the 10th January 1901, printed at page 9 of the Account, states that, 'though there has been no expenditure beyond the authorised total a deficiency of Appropriations in Aid realised has led to a cash deficiency (as in 1896-97) on the Vote for the year; and in these circumstances my Lords are unable to authorise the meeting of the excesses (7,640*l.* 19*s.* 3*d.*) out of savings to the nominal total of 29,266*l.* 4*s.* 7*d.*, seeing that the latter are not represented by a corresponding amount of cash.'" What is the effect of the refusal of the Treasury to authorise the meeting the excesses in that way?—That this sum of 10,000*l.* must be made up by drafts on the Suspense Account.

1764. Is it not 7,640*l.*, not 10,000*l.*?—It works up to 10,000*l.* The net deficit is 10,000*l.*, as shown upon page 2 of the Account; that is drawn from the Suspense Account.

1765. Perhaps I misunderstood. I understand the Treasury only to refuse their sanction to the authorisation of the 7,640*l.*?—To that being covered by savings on the Vote, yes.

1766. They would not authorise that?—The usual covering of deficits by surpluses was refused, because, as I understand, there is ultimately a deficit on the whole Vote, and there is no cash.

1767. There is no saving in fact?—The Treasury Letter will no doubt be better explained by those who wrote it.

1768. I want to ask this question; what becomes of this unauthorised 7,000*l.*, is it put to Suspense Account?—It forms part of the 10,000*l.*

Chairman.

1769. Which is charged against the Suspense Account; therefore you have really a surplus of 1,092*l.* after deducting the 10,000*l.* which includes the 7,000*l.*?—Yes.

1770. In fact it goes to Suspense Account?—Yes.

Sir Robert Mowbray.

1771. What would happen next year if you had a similar deficit, because you have run off nearly the whole?—Yes; no doubt it has come to a very low figure.

Mr. Gibson Bowles.

1772. (To Mr. Chalmers.) Have you any remark to make upon this point?—The Treasury has power only to apply savings to meet excesses so far as the savings actually exceed the excesses.

That.

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Mr. RICHMOND, Mr. CHALMERS, C.B., and Mr. MARZIALS.

[Continued.]

ARMY (ORDNANCE FACTORIES) APPROPRIATION
ACCOUNTExpenditure in Anticipation of Vote—
continued

Mr. Gibson Bowles—continued.

That was not the case here. That being the position, the Treasury left the matter for what it ventured to think might be a formal sanction on the part of this Committee, but it did not feel that it had actual power to authorise the meeting of the excesses, as there was not an actual surplus of cash. The actual deficiency as shown will be made good in the subsequent year, as intimated in the last paragraph of the Treasury letter, by moneys to be received from the customers of the factories.

1773. Am I right in saying that the deficiency arose through an unexpected deficiency in the Appropriations in Aid, which did not come up to what was expected?—Mainly. That is practically the whole thing.

Mr. Banbury.

1774. (To Mr. Richmond.) Am I right in thinking that this is the only department in which a suspense account is allowed in this way?—I am not aware of any other department in which this system is carried out.

1775. Is there any reason why this department should be allowed to have a suspense account in this exceptional way?—I suppose that goes to the history of the system on which the Ordnance Factories were arranged some 10 years ago. No doubt Mr. Marzials will know more about that than I do. (Mr. Marzials.) The difference is that the factories are a manufacturing concern; that the money spent by the factories is not directly voted by Parliament, but is obtained from other Votes; it is obtained from the Army, from the Colonies, or from the Navy. The factories must have (like all manufacturing establishments) a certain suspense account, a certain account of their capital, which they carry on from year to year. This is not done in an occult manner, it is shown here annually exactly what the account consists of; if we

ARMY (ORDNANCE FACTORIES) APPROPRIATION
ACCOUNT.Expenditure in Anticipation of Vote—
continued.

Mr. Banbury—continued.

purchase, for instance, more goods one year, there is necessarily a fluctuation. We cannot absolutely close the account with each year.

1776. I quite understand that?—That is the origin of it.

Mr. Goddard

1777. (To Mr. Richmond.) With regard to paragraph 2, I take it that the irregularity which you speak of there you regard as a somewhat serious irregularity that is to say, of incurring expenditure outside the repayment services in anticipation of the Vote of Parliament?—Yes, notice was taken of it some few years ago, and the Committee thought it a serious matter that money should be spent in carrying on the factories, which, of course, could not be suddenly stopped, before Parliament had voted the necessary supplies. Attention was called to it, and I believe it was understood that in future the Vote should, if possible, be taken in sufficient time. I think it right to mention that that is not so this year.

1778. That was the view taken by the Public Accounts Committee in 1898, was it not?—I believe so.

1779. Is there any reason why, if it is inconvenient to the Department to take the whole Vote before the 31st of March, there should not be a Vote taken on account. The Public Accounts Committee, as I understand, laid it down in 1898 that this was a grave irregularity. Last year and this year that holding has been completely ignored, and the money has been expended before the Vote was taken?—As a rule, the only Vote that is taken directly for the Ordnance Factories is a Token Vote for 100*l.*, because it is a self supporting institution theoretically. But there is the fact that the Ordnance Factories are at work and supplied by funds from their customers at an earlier date than that at which Parliament has passed this Token Vote.

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES OF THE ARMY
FOR THE YEAR 1899-1900.

Colonel E. BAINBRIDGE, C.B., called in; and Examined.

Chairman.

1780. You are responsible for this Ordnance Factory Account, are you not?—I am Chief Superintendent of the Ordnance Factories.

1781. You come here to give evidence upon these Accounts?—Yes.

GENERAL OBSERVATIONS.

Chairman.

1782. Is it the case that the value of the output of the Ordnance Factories, including semi-manufacture, was 3,551,000*l.*, which exceeded the average

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Mr. RICHMOND, Mr. CHALMERS, C.B., Mr. MARZIALS, and
Colonel BAINBRIDGE, C.B.

[Continued.]

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES
OF THE ARMY FOR THE YEAR 1899-1900.

General Observations—continued.

Chairman—continued.

average of the last three years by half a million?
—That was so.

OUTSTANDING QUESTIONS.

Chairman.

1783. In paragraph 2 of the Comptroller and Auditor General's Report there is a mention of piece-work cards. Have you been able to carry out this system in the Royal Carriage Department?—I have. They have been introduced in the shops named in that paragraph, namely, the wheelers', the carpenters', and the forgers' sections from the 1st of April. I am seeing how it works there before applying it to the rest of the department.

1784. It was hoped that the system would be adopted from the 1st April, but it has not yet been adopted I understand?—It has been introduced in the shops named there, the wheelers, carpenters', and forgers' sections.

CENTRALIZATION OF BUILDING WORKS
ACCOUNTS.*Chairman.*

1785. In paragraph 4 we come to a question that has been before the Public Accounts Committee before, with regard to the centralization of the Building Works Accounts. I believe nothing has been done yet. It is a question with regard to the transfer of the account from the Building Works Department to the Central Office; is it not?—Yes; it is a question whether the Building Works Account should be centralised in the Central Office. The whole question has been raised before the Secretary of State for War. There is some question of decentralising instead of still further centralising the account.

1786. At the present moment a duplicate system of account is in practice, is it not?—It is. Certain information is given us in the Central Office from the Building Works Department, from which we are able to compile our accounts.

1787. Until the thing has settled down a little more you cannot centralise entirely?—We cannot centralise any more. The cost of duplication is, I believe, some 200*l.* a year.

1788. In clerks, and so on?—Yes.

1789. Paragraph 5 relates to the manufacture of certain powder, which ultimately turned out to be unsuccessful, I believe, for the Navy, and then it was sold as for a different class of powder; and the loss which is there referred to of 3,980*l.* represents the difference between the price at which it was sold and the price at which it was manufactured?—Yes; it was altered from S.B.C. powder to prism¹ brown powder, and the loss on the manufacture was given, which fell on the Navy, and they accepted the charge.

1790. At first it appeared that the ordnance factories had invited an order from the Navy to

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES.
OF THE ARMY FOR THE YEAR 1899-1900.Centralization of Building Works Accounts—
continued.*Chairman*—continued.

make the powder for them; but I understand there has been a correspondence quite recently in which the Navy do not insist upon that, and they accept the charge?—It is not quite correct to say that the ordnance factory invited it, because it was an order given us by the Navy without any invitation on our part, and on that I believe the Navy did agree to accept the charge; but the matter rests with the Secretary of State, who is in communication with the Treasury on the subject.

1791. (To Mr. Richmond.) Have you anything to say upon this point?—I have received from the Treasury copies of letters from the War Office and the Admiralty addressed to the Treasury on this matter, and I gather that the Committee of last year was not quite fully informed of the facts of the case, and that not only may it be fairly questioned whether the ordnance factories invited the order, but it appears further, that after the order was given there was some change in the character of the powder that was to be produced which seems to affect the matter, and inasmuch as I gather from the correspondence that the Admiralty themselves concur in the War Office view that the present charge is correct and should not be disturbed, perhaps the Committee will not think it necessary to insist upon any alteration such as was suggested in the Report of the Committee last year.

1792. As I understand the Admiralty do not themselves press for being relieved from this charge?—On the contrary the Admiralty think the present charge is correct.

ROYAL LABORATORY.

Mr. Gibson Bowles.

1793. (To Colonel Bainbridge.) With regard to the variations in the prices, I see, on page 92, at the top of the page, you have four 12-inch wire guns, Mark VIII., at cost of 7,220*l.* a-piece, and at the end of that lot you have one 12-inch wire gun, Mark VIII. (that is the same mark), "built up from Vickers' forgings," which only cost 1,400*l.* Is that because the Vickers' forgings represent the major part of the cost?—If you add the price of the Vickers' forgings to that you will get rather more than the price of the other guns. The contract guns cost 9,750*l.* each.

ROYAL SMALL ARMS FACTORY, BIRMINGHAM.

Mr. Herbert Lewis.

1794. (To Mr. Richmond.) I observe, from paragraph 7, you asked on the 25th October last for some explanation of the difference in the proportion of the charges as between material and labour shown in the manufacture of hand-guards at Birmingham and Enfield; but at the date of the signing of your Report, on the 26th

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Mr. RICHMOND, Mr. CHALMERS, C.B., Mr. MARZIALS, and
Colonel BAINBRIDGE, C.B.

[Continued.]

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES
OF THE ARMY FOR THE YEAR 1899-1900.Royal Small Arms Factory, Birmingham—
continued.

Mr. Herbert Lewis—continued.

March 1901, you had received no reply; has no reply been received since?—Yes, I have received information since to the effect that: "At Enfield wood blocks for handguards are valued at the latest contract price. At Birmingham, where they are generally obtainable from waste butts, they have hitherto been taken at produce value. In future the price at Birmingham will follow that at Enfield." Therefore the matter in future will not recur.

1795. Do you regard that explanation as adequate and satisfactory?—I think it is sufficient.

1796. You think it accounts fully for the difference between the two cases alluded to in paragraph 7?—I take it that in one case there was little or nothing to pay for the wood, there being waste wood in hand; but in the other the wood had to be charged at the current price.

1797. Is it frequently your experience that you have to wait six months for a reply to a letter of this character?—No; I could scarcely say that is the usual experience.

1798. I think one notices it pretty frequently in the Report?—This year we have had to communicate with the War Office upon a great many questions, and I think some allowance must be made for the pressure under which the work has been conducted.

1799. What was the date on which you received that reply?—We asked for the explanation on the 25th October, and we got an answer on the 19th May.

1800. You had pressed them previously for a reply, I suppose?—No, we did not press for a reply.

Mr. Pym.

1801. May I ask a further question in connection with this paragraph. My honourable friend has dealt with material as to which there seems to be a very enormous difference; but there is also the question of labour; you will see in the paragraph it says that the labour at Birmingham is charged 135*l.* 11*s.* 10*d.*, and the labour at Enfield is 1,567*l.* 3*s.* 9*d.*?—Yes; but I do not mean that that is for the same quantity of material. The point of this paragraph is the proportion between material and labour, which in the one case is about as 1 to 40, and in the other about 1 to 6. We are not dealing the same quantity of material.

1802. I misunderstood the paragraph?—The proportion of material to labour is in the one case 1 to 40, and in the other it is 1 to 6; that is the point.

Mr. Austen Chamberlain.

1803. I am not quite certain that I understand the explanation that you gave just now; I understood you to say that you thought that the explanation which you had received from

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES
OF THE ARMY FOR THE YEAR 1899-1900.Royal Small Arms Factory, Birmingham—
continued.

Mr. Austen Chamberlain—continued.

the War Office in regard to the marked difference in the proportion of charges for material and labour was satisfactory, was that so?—Yes, I think it was satisfactory.

1804. That explanation, I gather, was that the Birmingham factory for some reason was able to produce this material much more cheaply than Enfield?—I understand it had material in hand to be worked up.

1805. It had waste material which it was able to work up?—Yes.

1806. And you thought that explained the difference?—Yes.

1807. Then I understood you go on to say that in order to prevent the recurrence of an apparent discrepancy of this kind, the waste material in Birmingham is in future to be charged at the full price of Enfield. Was that what you said; perhaps I misunderstood you?—I read the War Office answer. I do not know whether I have misunderstood it. They said that "in future the price at Birmingham will follow that at Enfield," which, I suppose, means that in future they will charge the full value of the material, as they do at Enfield, instead of working up the waste material at a nominal value.

1808. Do I understand that you consider that that proceeding is satisfactory?—In future it will avoid such wide discrepancies as this.

1809. But does it not avoid the discrepancy in appearance by making a fictitious entry as to the cost of the material at Birmingham?—Whether that was intended by the War Office answer I cannot say.

1810. But was that what you understood. I am not now asking what the War Office intended, but what you understood and what you described as "satisfactory"?—Perhaps I had better look into the matter, and give the Committee an explanation later on. This answer from the War Office reached me only the other day, and I have not gone closely into it.

1811. (To Colonel Bainbridge.) Can you explain why it is that there is waste material at Birmingham available for this purpose and none at Enfield?—Because at Birmingham only do we repair the arms for the Service. When there come in any butt stocks which are not suitable for the Service they become waste material, unless we utilise them for something else; and so we have been utilising them for making these hand guards.

1812. Is the whole of that waste material used at Birmingham, or does any of it remain over?—There is none over; in fact we have had lately (owing to the greater number of arms coming in for repair) to buy new wood at Birmingham, the same as we have to do at Enfield.

1813. There never has been any surplus waste material at Birmingham which could be transferred to Enfield, instead of buying new wood there?—No; we would have done so if that had been

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Mr. RICHMOND, Mr. CHALMERS, C.B., Mr. MARZIALS, and
Colonel BAINBRIDGE, C.B.

[Continued.]

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES
OF THE ARMY FOR THE YEAR 1899-1900.Royal Small Arms Factory, Birmingham—
continued.

Mr. Austen Chamberlain—continued.

been the case. I may say that this will not arise now because we have altered the length lately, and these stocks will no longer come into use for handguards.

1814. (To Mr. Richmond.) What Colonel Bainbridge has said removes any question as to this particular thing recurring; but may I put this to you as bearing upon the possibility of similar questions arising: that if you charge the Birmingham factory with the full cost price as new of its waste material, you will, to that extent, falsify the cost of the manufacture in the Birmingham factory and make it appear larger than it really is. Is not that so?—That would be so.

1815. That being so, you would not now accept as satisfactory any scheme that resulted in a false appearance being produced by the account?—No; it would be impossible to do so.

Sir Brampton Gurdon.

1816. (To Colonel Bainbridge.) I do not quite know what is meant by handguards?—A handguard is the piece of wood which protects the soldier's hand from the heat of the barrel. They sheath now right up almost to the muzzle.

1817. Is that in the present service magazine rifle?—Yes. There were short fore-stocks or handguards.

1818. But they were not called handguards formerly, were they?—No, they are called handguards now.

CAPITAL ACCOUNT.

Chairman.

1819. The practice which is alluded to in paragraph 8, of applying funds that ought to be applied to machinery to extending buildings, has been given up, has it not?—The Secretary of State agrees with the principle of the recommendation referred to in that paragraph; but, perhaps I might point out the difficulties in it. In the first place I might say that, as regards this depreciation on buildings and machinery, the incomings and outgoings are all laid before Parliament, and have been since 1894; so that I have sanction for it. You will see them here in our Ordnance Factory Estimate; but then there is this: Supposing I have more money than I want for depreciation of machinery and I want more buildings than I have money for, although I have that sum of money I cannot spend it without the sanction of Parliament; and *vice versa*, if I have more money for buildings and less for machinery, although I have the money I should have to get Treasury sanction. Also from this Depreciation Fund of mine I have to keep up non-depreciable work such as land, canals, railways, gas, and electric mains. I might have the money in hand to do that; but if it does not come in

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ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES
OF THE ARMY FOR THE YEAR 1899-1900.

Capital Account—continued.

Chairman—continued.

legitimately out of depreciation, I should have to come to the Treasury for sanction. Therefore I would prefer having a free hand; but that, of course, is a question for the Secretary of State to decide.

1820. But, as a matter of fact, the machinery has been getting rather out of date, has it not? We had a special grant made on the recommendation of Sir Francis Mowatt's Committee to bring our machinery up to date; but that did not come out of the Depreciation Fund.

1821. Is there a large sum taken this year to keep it up?—This year it is brought forward from last year; there is an increase of 90,000*l*.

Mr. Blake.

1822. It is stated in the Report that according to the War Office letter of the 13th December 1900, that is six months ago, this question had been recently considered by an Inter-Departmental Committee; has any conclusion been reached?—Nothing has reached me.

Mr. Banbury.

1823. I gather we are to understand by this paragraph that for the future the money that is put aside to form a reserve, either for buildings or for machinery, will be kept strictly to the object for which it is put aside?—I am afraid so.

Mr. Gibson Bowles.

1824. (To Mr. Chalmers.) Would there be no power in the Treasury to authorise Colonel Bainbridge to divert from machinery to buildings any part of these funds in case he applied for permission?—Certainly; that would be within the power of the Treasury. Providing that the factories did not exceed the total amount of their expenditure, and had cash enough to meet their expenditure, it would be within the competence of the Treasury to transfer the savings from any one Sub-head to another.

1825. (To Colonel Bainbridge.) Then perhaps that removes your apprehension?—I should have to get Treasury sanction.

1826. I understood you to complain of having to get Parliamentary sanction?—No, I think I said Treasury sanction; I intended to say Treasury sanction, certainly.

BALANCE SHEET.

STORES IN STOCK.

Chairman.

1827. (To Mr. Marzials.) With regard to paragraph 11 has a reply yet been sent in regard to the question of these miscellaneous materials which have been in store for several years?—A reply has been sent to the effect that the stores have been overhauled, that some have been used in the meanwhile, some would probably be of use ultimately, and that a certain proportion were useless and would be disposed of. But as regards

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Mr. RICHMOND, Mr. CHALMERS, C.B., Mr. MARZIALS, and
Colonel BAINBRIDGE, C.B.

[Continued.]

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES
OF THE ARMY FOR THE YEAR 1899-1900.Balance Sheet.—Stores in Stock—*continued.**Chairman—continued.*

regards any regulation for the disposal of materials of that kind, it was considered that the superintendent of the factory was the best person to judge as to the extent to which it was desirable or necessary to get rid of any stuff that did not seem likely to be usable in future manufacture.

1828. (To Colonel Bainbridge.) Of course it is your object to get rid of useless stores?—It is our object to get rid of useless stores; but artillery materials changes so rapidly. Artillery is a progressive science, as we say, and the materials changes so rapidly, and things become obsolete; but it is not safe just because a thing is obsolete to get rid of it at once, because there are lots of stores of the same pattern in the Service which may come in for repair; and therefore one has to use discretion as to what things one can consider obsolete, and can safely get rid of. But, I believe, out of the 180 sent to me there was only six which were ultimately found to be really obsolete stores, and their value was some 200*l.*

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES
OF THE ARMY FOR THE YEAR 1899-1900.Balance Sheet.—Stores in Stock—*continued.**Mr. Herbert Lewis.*

1829. Your reply related to the sale of materials in the ordnance factories, but paragraph 11 relates to the purchase of materials. (To Mr. Marzials.) Have any regulations been made governing the purchase of materials?—No, I think not. I think that must be left to the discretion of the superintendent of the factory; he is the best judge of what are the best materials to purchase.

1830. The same reply would apply practically to the question of purchase as to that of sale?—Yes, I think so.

ON CHELSEA HOSPITAL.

No questions.

[Mr. Chalmers, Mr. Marzials, and Colonel Bainbridge withdrew.]

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1899-1900.

CLASS I.

PUBLIC WORKS AND BUILDINGS.

Sir EDWARD W. HAMILTON, K.C.B., called in; and Examined.

VOTE 1.

ROYAL PALACES AND MARLBOROUGH HOUSE.

Viscount ESHER, C.B., called in; and Examined.

Chairman.

1831. You come here on behalf of His Majesty's Office of Works?—Yes.

1832. The only question I wish to ask on Vote 1 is about the drainage of Kensington Palace. There is a large sum taken apparently, or at least the Grant for "Maintenance and Repairs" is exceeded by 1,143*l.* for drains; was not it possible to foresee this before the estimate was framed?—No, it was not foreseen.

1833. It suddenly became so bad that you were compelled to deal with it at once?—Owing to the illness of Mrs. Chaine, the Royal house-keeper, the drains were examined, and found to be very defective in a portion of the Palace.

1834. Does this sum complete the drainage?—It completes the internal drainage.

Mr. Goddard.

1835. Is there anything in this account under the head of "Minor Works" (I do not see where else it can come in) in regard to the Nos. 77 and

Mr. Goddard—continued.

78, Pall Mall property?—I do not think there is anything in this account.

1836. Was that bought subsequently to this account?—It was bought subsequently to this account.

VOTE 2.

ROYAL PARKS AND PLEASURE GARDENS.

Chairman.

1837. Referring to paragraph 3 of the Comptroller and Auditor General's Report on this Vote, why was it that the cost of wood paving from Marlborough Gate to Buckingham Palace Gate was charged to Sub-head F. "Maintenance and Repairs"; it was originally in the Estimates under Sub-head E. "New Works"?—I believe it was formerly, but as this was a matter of repair, although the sum was large, the Treasury agreed that it might be charged in future to maintenance

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Mr. RICHMOND, Sir E. W. HAMILTON, K.C.B., and
Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Vote 2.—Royal Parks and Pleasure Gardens—
*continued.**Chairman—continued.*

tenance. It is the substitution of one paving, no doubt, in this case, for another, but still it was a matter of repair.

1838. You say it is not a new road, but the repair of an old road?—It is the same road, but it was repaired in a different way.

Mr. Gibson Bowles.

1839. I believe the original sum for the creation of this wood paving was voted some years ago, was it not, and was not expended; was not that so?—I do not think so; it may be so, but I have no recollection that any sum was ever taken for wood paving.

1840. I did not know whether that might have anything to do with it, being charged to one head rather than another?—I do not think that was considered in any way.

1841. It will be continued now to be charged under "Maintenance" naturally?—Yes, unless any objection is taken it will be charged under "Maintenance" in future.

1842. (To Mr. Richmond.) Does that satisfy you as to the small point to which you refer in your Report?—Yes; my only reason for noticing it was that the principle that appropriation follows estimate had not been observed in this case.

Mr. Herbert Lewis.

1843. (To Viscount Esher.) Can you tell me what is the property in respect of which the "rents" are paid under this vote; it is item 8 on page 9?—It is mainly rent charges and tithes, but I am not quite sure of what the properties are in respect of which it arises.

1844. Have you any short leases?—I do not think so—not on this Vote.

1845. There is an item also for "Insurance." I have been informed the Government insures its own property. Do you know in respect of what property this insurance is paid; is it under a covenant in the lease?—I do not know; it is only under those circumstances that we ever pay insurance. We are our own insurers.

Mr. Austen Chamberlain.

1846. Has it always been customary to repeat the sub-head in the same form—"Rents, Insurance, Tithe Rent Charges, &c."?—Yes.

1847. So that in any given vote, as, for instance, in this one, it might be the case that there was no insurance?—Yes.

1848. The whole heading of the sub-head would reappear even though only one item of the sub-head was included in the money voted?—Yes, that is possible.

Mr. Herbert Lewis.

1849. Would it not be desirable to state what the charges actually were?—Yes.

0.14.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Vote 2.—Royal Parks and Pleasure Gardens—
*continued.**Chairman.*

1850. Would there not be insurances upon the buildings at Kew?—No insurance is paid by the Government.

VOTE 3.

HOUSES OF PARLIAMENT BUILDINGS.

Chairman.

1851. There was a variation under this Vote a sum of 500*l.*, which was provided for the reconstruction of the Members' staircase to the terrace being applied to the cost of constructing a lift communicating with the House of Common's Committee Room corridor. That has been done, I understand, with the authority of the Treasury?—Yes, with the authority of the Treasury.

1852. Your department considered it was a more advisable thing to undertake than that which was given up?—Yes, the First Commissioner decided that that was so, I think, in deference to the wishes of Members of the House.

Sir Brampton Gurdon.

1853. But surely that lift was put up before 1899, was it not?—I do not think so.

Mr. Goddard.

1854. I notice there is a continual growth in Item D. for "Warming, ventilating, lighting, &c." There was a reason given last year that there were some new boilers put in; but I observe that the item is always increasing?—That is so; as the electric light increases we find the charge for lighting increases.

1855. Can you explain how it is that although the amount of the electric light used has increased, the amount for gas goes up so much?—I cannot explain how it is that the gas account does not diminish, although the electric light increases.

Mr. Austen Chamberlain.

1856. Am I right in thinking that in the year to which this account relates there was a longer Session than usual. There was an extra Session in that year, was there not?—Your memory will be, no doubt, more accurate than mine as to that.

VOTE 4.

MISCELLANEOUS LEGAL BUILDINGS, GREAT
BRITAIN.*Chairman.*

1857. I wish to ask about several of the items under this Vote. If you will kindly look at page 24 you will see that under Section A1., Barrow-in-Furness, a sum of 750*l.* is voted for the erection of new offices, but nothing has been expended; and the only explanation given is

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that:

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Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Vote 4.—Miscellaneous Legal Buildings, Great
Britain—*continued*.*Chairman—continued.*

that: "This work was necessarily postponed"; but unfortunately that does not tell us anything?—Before the Estimates are framed on both this Vote and the Revenue Vote, a list is prepared with the concurrence of the Post Office in the one case, and in the other case upon the judgment of the Department, as to the services which are most urgently required. Then it frequently happens subsequently that an appeal is made on behalf of some other service which has not been provided for in the Vote. The matter is then referred to the Treasury, and if the Treasury decide that the service which has not been provided for is to take precedence, it is proceeded with, and it is generally on the understanding that a saving is to be effected; and it is effected consequently by the postponement of some other service.

1858. Would you be able to give us any fuller explanation with regard to these various items where the explanation is simply that "the work was necessarily postponed"; which does not give us really any knowledge of what the real explanation is?—That is the general explanation, that it is necessary to postpone something in order to save money for the more urgent service.

1859. Take, for instance, Middlesbrough; 1,000*l.* was voted, and 1*l.* 18*s.* 3*d.*, less than 2*l.*, was expended; what was the reason that was postponed?—In that case it was not definitely settled, before the Estimates were framed, whether the office only or the court and the office should both be built; and that point was not definitely settled till too late to proceed with the work.

1860. It was not even begun?—No.

Sir Robert Mowbray.

1861. But you seem to have expended nearly 2,000*l.* at Middlesbrough. If you had not made up your mind as to what you were going to do, it seems curious that you should have spent 2,000*l.* out of 10,000*l.*; you will see that is mentioned on page 25, in the margin?—That was for the purchase of the site.

Mr. Goddard.

1862. Does this delay in carrying out the work afford any explanation of the enormous increase in the Estimates of this year, as between the original estimate and the revised estimate, in the case of Middlesbrough; the original estimate was 10,500*l.* and the revised estimate is 12,900*l.*, is that due to this delay?—I should say not solely. Probably it is due to the increase of accommodation required.

1863. Do you mean increased plans?—Probably increased plans.

Mr. Pym.

1864. Who is the authority who has to settle whether the offices are to be built first or the court built first?—The final authority would un-

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Vote 4.—Miscellaneous Legal Buildings, Great
Britain—*continued*.*Mr. Pym—continued.*

doubtedly be the First Commissioner of Works; but, of course, it is one of those points which has to be decided after discussion with the officials who have to use the building in question. We merely act as builders; we do not decide finally the question as to whether the offices are required or not.

1865. Then cannot you press this authority for an answer, so as to enable you to get on with your work?—We can.

1866. But why should there be such a delay in receiving an answer as to work that has been provided for by Estimate by Parliament?—Questions arise which require a great deal of discussion, and it is difficult, without acting in a very arbitrary manner, to proceed against the wishes of those principally concerned.

Mr. Austen Chamberlain.

1867. I suppose very often the preparation of several sets of plans is necessary?—Yes, very often.

1868. You send down one set of plans, and if that does not meet with acceptance you prepare another set of plans?—Yes.

Chairman.

1869. Will you take the case of "Wolverhampton: Addition to the main building." In that case 562*l.* was spent and nothing was voted. Are you able to make additions which really amount to a new building without any Vote?—With the authority of the Treasury we could.

Mr. Cohen.

1870. That is so far as you are concerned?—Yes.

1871. Do I understand that the Treasury or anybody can authorise expenditure to be incurred without a Vote having been submitted and sanctioned by Parliament?—I assume the Treasury can.

Chairman.

• 1872. (To Sir E. W. Hamilton.) Is there any irregularity in this 562*l.* being spent without a Vote?—No, I do not think so in this case.

1873. You consider the Treasury have power to sanction it?—Yes; if the circumstances are properly represented and a case is made out for urgency.

Mr. Cohen.

1874. Of course the Treasury would not sanction it unless they deemed it advisable; but, as a point of law, the Treasury, when they do deem it advisable, have power to sanction expenditure without its having been voted by Parliament?—This is a power which it is necessary that the Treasury should have in reserve.

Sir Robert Mowbray.

1875. Would not the Treasury go one step further; would they not decline to sanction even

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[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
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Britain—*continued*.Sir Robert Mowbray—*continued*.

even urgent expenditure unless a saving were effected on other parts of the Vote?—They would probably make that a stipulation.

Mr. Blake.

1876. That is the limit of their power, is it not?—Yes; they cannot go beyond the grant.

Chairman.

1877. Have you any limit of amount which you would put upon a non-voted estimate?—I think that is a matter of discretion.

1878. Would you as soon sanction 5,000*l.* or 10,000*l.* as 500*l.*?—It depends upon the building, and, of course, the total amount of the Vote; but the matter of urgency is the real point, I take it.

Mr. Goddard.

1879. Where you have money to spare on some work, or where you can have money to spare by not going on with some item of work, do you consider the Treasury may institute some new building which may involve a considerable sum?—The Treasury would be very averse to do so, if the principle had not been approved by Parliament; but if a representation were made to it showing extreme urgency, the Treasury would take the responsibility of doing so.

Mr. Cohen.

1880. If they did, sooner or later it must come before Parliament?—Certainly.

Mr. Goddard.

1881. But that means that Parliament is absolutely obliged to go on with what the Treasury has initiated; once a building is started they cannot refuse the money to complete it?—They might refuse, but it would be a very strong order of things.

Mr. Blake.

1882. It is quite an inaccurate phrase, is it not, to say that this is done out of savings on the Vote. When a thing of this kind is done it is not because you are abandoning the work for Barrow-in-Furness, for instance; you expect to go on with the work for Barrow-in-Furness another year; but you take the money which Parliament voted for Barrow-in-Furness in order to provide for some service for which there is no vote?—Probably the expenditure at Barrow-in-Furness is not going on at the rate that was expected.

1883. It has not been going on at all—not a shilling has been spent in the year. The reason given by Lord Esher just now was that there was other more urgent work and that it was met out of savings; but it is not really out of savings?—I think the urgency is the real plea that makes the Treasury in any way deviate from the programme submitted to Parliament.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Vote 4.—Miscellaneous Legal Buildings, Great
Britain—*continued*.Mr. Blake—*continued*.

1884. Would you not go so far as to say this: that very great urgency, involving serious detriment to the public service from the postponement, would be the only ground upon which the Treasury could with propriety sanction such an appropriation of the money even in a case where there was a real saving?—I assumed that "urgency" meant that the postponement would involve detriment to the public service.

1885. Of course there are degrees of detriment to the public service?—No doubt.

1886. There is a serious detriment from the loss of all Parliamentary control, because if you spend in one year 1,000*l.* upon a building for which the estimate is 2,000*l.*, of course Parliament has got to spend the other 1,000*l.* some time?—No doubt; but you will find extremely few cases where that is the case.

Sir Robert Mowbray.

1887. (To Viscount Esher.) With regard to the Wolverhampton case, I should like to ask does that 562*l.* which has been paid under Treasury sanction without a vote by Parliament involve further expenditure in future?—It was a case in which 500*l.* was spent that year, and a further sum was required in the following year to complete it.

Mr. Goddard.

1888. They went for 1,500*l.* the following year?—(Sir E. W. Hamilton.) You will see that the note here on page 25 refers to the Parliamentary Estimate for the following year.

Sir Brampton Gurdon.

1889. The theory, I presume, would be that Parliament in this Vote grants certain sums of money for keeping up legal buildings generally in Great Britain; and as long as you do not go outside that the Treasury have a certain discretion in deciding where the money shall be spent, provided they do not systematically falsify the Estimate?—Yes, that is quite a proper way of putting it, I think.

1890. I suppose the Treasury would be averse to the Public Accounts Committee finding very great fault with the postponement of any service, because it might encourage Departments to spend money prematurely, and perhaps unnecessarily?—It might, and it might also cause great public inconvenience.

Mr. Austen Chamberlain.

1891. As I understand, what happens, or one case that frequently happens is this: that the Office of Works represents that another Department has asked them to undertake some new work which was not foreseen at the time the Estimate was framed, but which is of a very urgent character, the deferring of which would be detrimental to the public service. Thereupon if the Treasury is satisfied of the urgency, it may give

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[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
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Britain—*continued*.Mr. Austen Chamberlain—*continued*.

give its consent; but it probably attaches to that consent the condition that some other works shall be deferred, or a saving made upon the amount voted for the current year, in order that there may be no necessity to ask Parliament to vote more money than Parliament has already provided?—That is quite correct.

1892. So that the substitution of one work for another is really in the interests of economy, and effects a check upon the demands which would otherwise come in for work not provided for by Parliament?—Yes.

Mr. Blake.

1893. Would you explain how it effects such a check in this case: Supposing Parliament has been asked to vote 40,000*l.* for 20 specific public works set out in the Estimates, then, according to this system, if the Treasury is told that some other work for which Parliament has not been asked to vote any sum is urgently wanted, it gives its sanction to the appropriation of some portion of the 40,000*l.* to that work without abandoning in the slightest degree that which has been provided for, but only making it a condition of necessity (because it can only spend 40,000*l.*) that the whole of the 40,000*l.* shall not have been spent. Supposing Barrow-in-Furness, for instance, spent only 250*l.*, that leaves 500*l.* to be spent upon a service for which Parliament has not been asked to vote anything at all, and the result is that we are committed to this work at Barrow-in-Furness, which we shall have to provide for in the next year, and we are also committed to the new work; how then is there any economy effected or any check?—But none the less the 40,000*l.* is not exceeded in that particular year.

1894. No, you have no power to exceed it?—But if that stipulation had not been made the result would have been that the Treasury would have had to present to Parliament a Supplementary Estimate, and therefore 41,000*l.*, we will say, might have been spent instead of only 40,000*l.*

1895. Provided Parliament was satisfied of the urgency of the case and granted the Estimate; but, under the present system, the Treasury in effect make the Supplementary Estimate?—But the Treasury avoid presenting a Supplementary Estimate by this means.

1896. But the Supplementary Estimate has to come in next year?—Not a Supplementary Estimate.

1897. Not strictly a Supplementary Estimate but an Estimate; I do not care whether it be a Supplementary Estimate or a main Estimate for my present purpose; my point is this, Parliament has thus been committed in effect, first of all to the Barrow-in-Furness work and, secondly, to the other work, as to which Parliament had not been consulted at all; it is, practically, proceeding to complete both works and thus to

CIVIL SERVICE APPROPRIATION ACCOUNTS,
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Britain—*continued*.Mr. Blake—*continued*.

make an increased expenditure beyond the maximum Estimate of 40,000*l.*?—The real principle is that Parliament, as an honourable Member put it just now, has said: "You may spend so much on this particular service, for Legal Buildings." Besides that, the best particulars that can be given are given at the time. If, as time goes on, it is shown that a different way of spending the money is necessitated, then there is a certain discretion reserved to the Treasury to authorise the expenditure, provided the total grant is not exceeded.

Mr. Austen Chamberlain.

1898. The actual question that Parliament has decided being, that so much shall be devoted to the purpose of the Vote whatever it may be; in this particular case it is Miscellaneous Legal Buildings in Great Britain?—Yes.

1899. But the question put from the Chair is not each item separately?—No; Parliament does not vote a particular sum for each item.

1900. The discretion of the Treasury to use a saving for some purpose for which it was not intended is limited to that particular Vote, is it not?—Certainly.

1901. The Treasury cannot authorise a transfer of a saving from one Vote to another, under the Civil Service Estimates?—No.

ON VOTE 5.

ART AND SCIENCE BUILDINGS, GREAT BRITAIN.

Chairman.

1902. (To Viscount Esher.) Under Sub-Head M., "Rents," &c., would you explain what this rent of 864*l.* a year paid to the Imperial Institute is?—That was part of an arrangement made by the Treasury with the Imperial Institute authorities, of which I have no particulars at all.

1903. (To Sir E. W. Hamilton.) Perhaps you could give us some information with regard to it?—I understand this particular gallery, called the North Cross Gallery, was built by the Imperial Institute, and leased to the Office of Works for the use of the Science and Art Department; and it was part of the stipulation when the Treasury undertook to take over the buildings that this payment should continue to be made. Unfortunately I believe this particular proviso was not inserted in the Treasury Minute which was attached to the Supplementary Estimate; but I think that the Comptroller and Auditor General has been made aware now that this was part of the stipulation.

1904. Was it included in the lease?—I do not know; I have not the formal deed before me.

1905. As I understand that, this will have to be paid for 39 years more?—I believe so.

1906. But

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[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.On Vote 5.—Art and Science Buildings, Great
Britain—*continued*.

Mr. Blake.

1906. But I see by the statement in the Report that "no mention of this liability which materially affects the cost of acquisition of the property was contained in the Treasury Minute of 13th July 1899 appended to the Supplementary Estimate." Is it contained in any formal minute connected with the negotiations?—I believe it is in the formal document.

1907. Before or after this date of the 13th July 1899, that is to say, the Parliamentary information?—It was an omission from the Treasury Minute.

1908. But I thought you said it was contained in a Minute?—I was under the impression that it was contained in a subsequent document; not the Minute.

Chairman.

1909. But there is a formal agreement to be drawn up; will it not be included in that?—I believe it has been so included.

Mr. Blake.

1910. Then in effect when Parliament was asked to vote the Estimate upon this subject it was left uninformed of this burden of 864*l.* a year for a long term of years, as part of the cost which it was incurring?—That would be so.

1911. Is there any explanation as to how that came about; because it is very misleading?—I am afraid it must have been due to carelessness in regard to the Treasury Minute. Originally the First Commissioner of Works leased this building, and had a formal lease, and the lease was not cancelled by this arrangement; and therefore the payment goes on under the lease.

Mr. Austen Chamberlain.

1912. There is no doubt about the obligation to pay it, or about the value received; the fault,

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.On Vote 5.—Art and Science Buildings, Great
Britain—*continued*.Mr. Austen Chamberlain—*continued*.

as I understand it, is that by what you describe as "carelessness," or by an accident, the notification of this liability was not included in the Treasury Minute which informed Parliament in general terms?—Yes. There is no question of the obligation, and it was taken into account when the arrangement was made; and Parliament of course voted the sum in the Estimate.

Mr. Blake.

1913. The rent arrangement had preceded this; it was an existing arrangement; there was a current obligation to pay rent; then we understood that we were getting hold of this property at a price, and upon terms that did not include the obligation to continue the tenancy and pay rent?—There is no question that it would have been much better if the Treasury Minute had set it out; but unfortunately it did not.

Mr. Goddard.

1914. (To Viscount Esher.) Have you any control over these items of expenditure for Maintenance and Repairs and Lighting, and all that sort of things?—We have control.

1915. There seems to be a steady and constant growth of these sorts of items, not very large, but going up every year?—The amount increases because larger responsibility has been thrown upon the Department, in that respect, by the increasing number of buildings in our charge. For instance, the Imperial Institute Building has now to be maintained by the Office of Works.

[The Witnesses withdrew.]

Wednesday, 19th June 1901.

MEMBERS PRESENT:

Mr. Baldwin.
Mr. Blake.
Mr. Gibson Bowles.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Goddard.

Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray.
Mr. Pym.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Sir EDWARD W. HAMILTON, K C.B., and Mr. DOUGLAS CLOSE RICHMOND, called in;
and Examined.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1899-1900.

CLASS I.

PUBLIC WORKS AND BUILDINGS.

VOTE 5.

ART AND SCIENCE BUILDINGS, GREAT BRITAIN.

Viscount ESHER, C.B., called in; and Examined.

Sir Brampton Gurdon.

1916. I OBSERVE in Sub-head M., Vote 5, there is an item for "insurance." May I ask what that means, because the Government does not insure buildings?—I think that, again, is merely the general title of that sub-head, and I am not at all sure that there is any insurance included under that.

1917. You think there is no insurance included under that?—I do not think so.

1918. There is the same thing in some of the subsequent Votes; for instance, there is the same on page 43, on Vote 7, Sub-head D., and also Sub-head I. Do you think in all those cases it is merely a general heading and there is no actual sum for insurance?—It might not be so under Vote 7 for Revenue Buildings, because in that case we may be taking premises under a lease and there may be a covenant to insure, in which case we should do it. But that would not apply to the Art and Science Buildings.

1919. You never insure except when you are bound by some covenant which you take over? That is so.

1920. If you look at page 33 you will see this observation at the bottom of the page: "Some of the Bills were not rendered in time to be paid in this year." Whose fault was it that the Bills did not come in in time?—That is a thing which clearly must occur in a business like ours, where work may be done up to the last moment and has to be accounted for in the year, but nevertheless we cannot get the accounts rendered and examined in time.

1921. But then in taking your estimate you are aware of that fact that work that is done at

Sir Brampton Gurdon—continued.

the very end of the year will not have been paid for. May I take it you do make every effort to get your bills in up to date?—Yes, always.

Mr. Cohen.

1922. Attention is drawn on page 36 by the Comptroller and Auditor General in his report upon this Vote to the fact that the payment of a rent of 864*l.* per annum continues to be made after the transfer of the buildings to the Commissioners of Works, although no mention of this liability which materially affects the cost of acquisition of the property was contained in the Treasury Minute of 13th July 1899. Is there any explanation of that, because it of course very materially affects the cost of the acquisition if there is a liability to pay this 864*l.* a year beyond the terms originally made known?—I think Sir Edward Hamilton explained that point last week. (Sir Edward Hamilton.) I am afraid it was an omission to set it out in the minute. The minute laid before Parliament stated in general terms what the agreement was.

1923. I am sorry I missed the explanation you gave last week; but does not that materially affect the cost of the acquisition of the site. Was it a factor in the settlement of the terms upon which the site was to be acquired?—Yes, it certainly was.

1924. This payment of 864*l.* a year for a series of years must materially affect the cost of the acquisition of the property?—No doubt. This gallery, I understand, was built by the Imperial Institute and leased to the Office of Works.

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Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 5.—Art and Science Buildings,
Great Britain—*continued*.*Mr. Cohen—continued.*

Works. Nothing could upset the arrangement by which the rent continued to be paid by the Office of Works.

1925. But were the Office of Works parties to the liability?—They were parties to it originally.

On VOTE 6.

DIPLOMATIC AND CONSULAR BUILDINGS.

Mr. Goddard.

1926. (To Viscount Esher.) I notice two items 6 and 7 upon page 38, upon which I would like to have some further information. Item 6 is "Japan, China, and Corea: Erection of new buildings, alterations, and additions to existing buildings, and acquisition of sites," the estimate for which is 11,400*l.*, and the expenditure 4,891*l.*; and in the case of Item 7, "Summer Residence for the Legation of Peking," the estimate is 2,300*l.*, and the expenditure 1,717*l.*; what I want to ask is what precautions are taken in regard to putting out those estimates; I have looked back a little on the Votes, and it seems to me that on that Item 6 no less a sum than 30,870*l.* has been voted for that same purpose, and on Item 7 as much as 10,200*l.*; so that on those two items there has been voted 41,000*l.*, so far as I can make out, for services for which there was no proper estimate made whatever; is that so?—Do you mean 41,000*l.* over a series of years?

1927. Since 1897?—But a great part of that has been expended.

1928. "Begun and abandoned" seems to be the usual explanation given; the expenses have been mainly due to alterations in your plans?—Occasionally a service is suggested to us by the Minister in China, and then after the estimate is framed and the money is voted for it, owing to circumstances over which we have no control at all, that particular scheme is abandoned, and another one is adopted; but that is owing to local conditions about which we know nothing.

1929. That is just the question I wanted to ask; is there any real check whatever upon this expenditure?—In what sense do you mean a check?

1930. From your department?—We have no check over the requirements of the Foreign Office.

1931. But are those Foreign Office officials allowed to come and ask for any amount of money, and you grant them it?—They do not ask for the money. Our own surveyor in China frames an estimate for any specific work that is asked for by the Ambassador or by the Minister in China, and approved by the Foreign Office; then when the estimate has been prepared by our surveyor out there, owing possibly to the non-acquisition of the site or the non-opening of a port or something of that sort, the work has to be abandoned, and is not carried out.

0.14.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 6.—Diplomatic and Consular
Buildings—*continued*.*Mr. Goddard—continued.*

1932. Who is the official who does this; because looking at it from an outsider's point of view it looks to me as if he was a very incompetent sort of man; he sends in estimates which are never carried out; there are constant changes in those estimates, and the result is that from year to year you add to the charge for the same thing without any result whatever?—There are only two officials concerned, one the Minister in China and the other our surveyor.

1933. The surveyor is your check upon the expenditure?—The surveyor would prepare the plans and prepare the estimate for us. There his function ceases.

1934. Am I right in the position I put to you that on these buildings in China, Japan, and Corea there has been voted no less a sum than 30,870*l.*?—That may be so; I accept your figure. I could not say so from my own knowledge, but it may be so.

1935. But is there to be no end to this sort of thing. It seems to me that the check is of so little value that it amounts to nothing at all?—The only check which our office has is that the work should be carried out economically if it is carried out at all.

1936. Do you consider it economical if an estimate is sent in by the surveyor, who I take it is the responsible man to your department, and next year he abandons the plans or alters the plans and says "I want more money," and then he comes in the following year and says the same thing over again?—It is not the surveyor who abandons the plans; there may be local considerations which make it impossible for the plan to be carried out. These things are generally in connection with the opening of Chinese ports; and it may happen that the port is not open, or that some diplomatic difficulty prevents a building being erected.

Chairman.

1937. Is there generally more difficulty with regard to labour abroad than there is at home?—I do not think so.

Mr. Goddard.

1938. Is not the effect of this mode of presenting the Estimates that Parliament has never a final and reliable estimate upon which to base its vote?—I think Parliament has a reliable estimate as to the maximum amount of work likely to be carried out, but not the minimum amount. Parliament only votes a certain sum, and that that sum is not in all probability spent, but it may be spent. You cannot insure in China that it should be spent. For instance, last year it is obvious that a great deal of work estimated for in China has not been carried out.

Mr. Austen Chamberlain.

1939. You have been asked one or two questions as to the check which exists over the demands

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Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 6.—Diplomatic and Consular
Buildings—*continued.*

Mr. Austen Chamberlain—*continued.*
demands which come from these foreign places?
—Yes.

1940. I understand your explanation to have
carried us to this point; that demands would
come from the Ambassador, or the Minister, or
the Consul appointed to the place in question?
—Yes.

1941. That demand would be presented to
your surveyor, who would prepare plans and
estimates in accordance with the demand?—
That is so.

1942. But of course that is not the check on
the expenditure, is it? What happens after
that. Would the Ambassador or the Consul
refer those plans to the Foreign Office?—The
plans would be referred by the surveyor to the
office here in London. The check that exists
upon the plans themselves and the estimate is
the check here.

1943. I want to get from you, for the infor-
mation of the Committee, the check which
exists here. There is of course, as the honour-
able Member points out, no limit to the demand
which the representatives in foreign parts may
make. What I want to get from you is what
control is exercised here, and by whom is it
exercised, over these demands?—The demands
are always considerably in excess of the amount
granted by Parliament or by the Treasury.
Every case that is put forward is laid before the
Treasury.

1944. But before we come to the Treasury in
the case of Foreign Office, Diplomatic and
Consular Buildings, the demand would have to
go to the Foreign Office, would it not?—A
demand would probably come from the surveyor
for a specific building to the Office of Works.

1945. But would you carry out a work with-
out taking the opinion of the Secretary of State
upon it?—Then the next step would be that it
would be referred (I am speaking now of a
specific work) to the Treasury, and then the
Treasury would either sanction it or not, as the
case might be, after communication doubtless
with the Foreign Office in the usual way, the
communication with the Foreign Office would
be between the Treasury and the Foreign Office,
not between ourselves and the Foreign Office.
We consider when we obtain the sanction of the
Treasury that we can proceed.

1946. (To Sir E. W. Hamilton.) Then perhaps I
had better ask you, would the Treasury in all
cases ask the opinion of the Foreign Office as to
the necessity or urgency of a building before
giving their sanction to it?—I think if the
amount in question was at all large they would
certainly communicate with the Foreign Office.

1947. So that to control the demands of the
diplomatic or consular agents abroad there
would be the Foreign Office, the Office of Works
and the Treasury at home?—Certainly.

1948. All of those departments would have to

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 6.—Diplomatic and Consular
Buildings—*continued.*

Mr. Austen Chamberlain—*continued.*
be satisfied that the work was desirable before
Parliament would be asked to vote money for
it?—That is so.

Mr. Goddard.

1949. (To Viscount Esher.) I wish to ask you
two questions. Can you say how much of this
41,000*l.*, which has been voted under these two
items 6 and 7, has been expended?—That is
over a series of years, I think you said?

1950. Since 1897?—No, I cannot. I see it is
stated in the observations on page 39 that the
amount expended for the "Summer Residence
for the Legation at Peking," was 6,200*l.* to the
31st of March 1900, out of a total estimate of
6,400*l.*

1951. You do not know how much of that
30,000*l.* has been expended?—No, I do not, that
could be ascertained by seeing how much had
been surrendered upon the Vote.

1952. Then I will come to my second question.
Can the balance which is unexpended on this
Vote be used for other purposes?—Do you mean
within the Vote?

1953. Yes?—Yes, with the assent of the
Treasury it can.

Mr. Austen Chamberlain.

1954. But not for another Vote?—No, not for
another Vote, but it can for another sub-head
under this Vote.

Mr. Goddard.

1955. Under this Vote you can use it for other
purposes?—Yes.

1956. That is to say, for diplomatic buildings
at other places?—Yes.

Mr. Gibson Bowles.

1057. That would be with the assent of the
Treasury?—Yes.

1958. Not without the assent of the Treasury?
—No.

Sir Robert Mowbray.

1959. I do not quite understand what the
relation is between the total estimate of 6,400*l.*
under the heading "Observations" and the Vote for
2,300*l.* for the summer residence for the Legation
at Peking. I understood you to say just now
that the total sum voted for the summer resi-
dence for the Legation at Peking was 6,400*l.*,
does that include previous grants as well as
these?—Yes, it is composed of money voted in
previous years.

1960. Of which the 2,300*l.* voted in this
particular year formed a part?—That is so.

1961. It is not very clearly expressed upon the
face of the accounts?—It is the usual form, I
think, that has been followed right through.

1962. If you had put "Total Estimate for
Summer Residence at Peking" it would have
helped one to understand it?—Yes, I see what
you mean.

1963. (To

19 June 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

On VOTE 7.

REVENUE BUILDINGS.

Chairman.

1963. (To Viscount Esher.) Could you see that next year some more satisfactory account is given of the postponement of items of work under this Vote. In this instance there are 17 cases, I think, in which all that is told us is, "this work was necessarily postponed"; that does not tell us anything. Do you not think that some little fuller explanation could be given in each case. If you will take the case of Southampton, at page 62, for instance, there was 7,000*l.* voted but not one single penny was spent apparently; there is 7,000*l.* unexpended, and the only explanation given is, "This work was necessarily postponed." Could we know the reason why that was postponed?—You would wish some explanation to be stated in next year's account, I understand.

1964. Do you not think that some fuller explanation could be given?—I do not see any reason why it should not.

1965. As you observe, the explanation as given here really tells us nothing. Do you happen to know why that expenditure at Southampton was postponed?—I think, as I explained last week, that is one of the cases in which the work has been originally selected by the Post Office as a work of considerable urgency, and the estimate was framed accordingly, and then subsequently after the estimate had been settled it was pointed out to us that some other work was of greater urgency, and then with the approval of the Treasury we substituted the other work for this.

1966. That occurred in 17 cases, I think, in this Vote. The point I want to call attention to is the third paragraph of the Comptroller and Auditor General's Report, in which he says: "This Statement shows that in 17 cases no expenditure has taken place upon works for which sums amounting to 36,400*l.* was provided, whilst in 15 other cases, for which 25,615*l.* in all was provided, the aggregate expenditure amounted to 156*l.* 0*s.* 7*d.* only. It appears from the explanations furnished that in nearly all the cases the several items of work have been necessarily postponed, but the reasons for postponement are not stated." That is what drew my attention to the point, and we should be very glad if you could give a fuller explanation?—I think if you read the next paragraph it explains it.

1967. I think not. That deals with excesses "on certain other items, including additions and alterations of a minor or unforeseen character. Expenditure, amounting in the aggregate to 27,583*l.* 3*s.* 11*d.* has been incurred in excess of the sums provided in the Estimates. The excesses have, where necessary, received the sanction of the Treasury, and have been met out of savings upon other items of work"?—That is the reason which I attempted to explain for the postponement of the other items. As we have exceeded the estimate in regard to carrying out 27,000*l.* worth of work which was

0.14.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 7.—Revenue Buildings—
*continued.**Chairman—continued.*

estimated for, we have had to postpone other work that was estimated for so as to make a saving. That could be explained on the face of the estimate in every case if you would desire that.

1968. I think if you would do that it would be satisfactory both to the Comptroller and Auditor General and to the Committee?—Yes.

Sir Brampton Gurdon.

1969. Do you have very many cases in which works which cannot be foreseen at the time of the Estimates have to be executed during the year?—Yes; because the requisitions of the Post Office are enormously in excess of the amount which is voted year by year. We are many years behindhand as regards their requirements owing to the financial exigencies of the country.

Mr. Gibson Bowles.

1970. I should like to call your attention again to paragraph 3 of the Comptroller and Auditor General's Report. He says there, this statement shows that there have been 17 cases in which no expenditure has taken place, or grants amounting to 36,400*l.* Is that so?—Yes; I assume that is so.

1971. Do not let us assume anything. Is it so?—Yes.

1972. On the other hand, there are certain items in which you have exceeded the expenditure by 27,583*l.*, as stated in the next paragraph?—Yes.

1973. It amounts therefore to this: You have not expended 36,400*l.* which was voted for particular purposes, and you have spent 27,583*l.* which was not voted?—Yes, for specific purposes.

1974. In other words you have, I will not say misapplied, but diverted 27,500*l.* which was voted for one purpose or one set of purposes to other purposes within the Vote?—That is so.

1975. Now do you think that is a satisfactory way of managing money affairs dependent upon Votes?—Well, I do not know that it is easy for me to express an opinion upon a point of that sort. (Sir E. W. Hamilton.) May I point out to the honourable Member that the sum is voted *en bloc* by the House of Commons, and these items are merely given as the best information that can be given to Parliament. Parliament does not vote, for example, a sum of 2,000*l.* for specific buildings at Southampton; Parliament votes a large sum to cover the whole service provided for on this Vote.

1976. I do not quite agree with that view; I do not think that is so at all?—I think you will find from the Vote that it is so.

1977. I think the principle is this: Parliament no doubt votes a sum in gross for the whole of the buildings, but it votes it upon the information given to it as to the details upon which that sum is to be spent?—The details give the general information as to how the money is intended to be spent.

T 2

1978. I must

19 June 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 7.—Revenue Buildings—
*continued.**Sir Brampton Gurdon.*

1978. I must remind Sir Edward Hamilton that a motion is very often made to knock out 2,000*l.*, or whatever it may be, in respect of certain items?—But Parliament votes a general sum; it does not vote a specific sum for any particular building in the Provinces or wherever it may be.

Mr. Gibson Bowles.

1979. That is not the Parliamentary way of looking at it, I think. Parliament votes, no doubt, a large sum, but it votes it because it is made up of certain details which are put before it in the estimate, and, as a matter of fact, as my honourable friend has pointed out, a motion is constantly made to omit one or more of those details, leaving the rest unaffected. For instance, if a motion had been made and carried for the omission of the Southampton Post Office buildings, do you suggest that any amount could be taken from the rest of the Vote and applied to Southampton?—In case of great urgency.

1980. I should not advise the Treasury to attempt to do such a thing?—I mean, of course, provided the total Vote were not exceeded.

Mr. Austen Chamberlain.

1981. I do not think you heard Mr. Bowles' question; he put it to you that if the total Vote was reduced by the sum provided for the Southampton Post Office, the Treasury would not then be justified in appropriating the saving obtained upon some other item to the Southampton Post Office Buildings?—It would be a strong thing to do, no doubt, but if it was a question of great urgency it would be within the power of the Treasury to do so.

Mr. Blake.

1982. There are two questions, as it seems to me: The first question is, whether with Treasury sanction, it is possible to take what are called euphemistically savings, but what are not really in the great majority of cases savings, from one sub-head and apply them to another sub-head which turns out to be deficient; and then there is another question which is analogous to the case put by Mr. Bowles and by Mr. Chamberlain, namely, where there is no sub-head referring to the particular work as being included in the contemplation of the estimate or embraced in the title. That is a stronger order. The case suggested is where Parliament is asked to vote 40,000*l.*, including, say, 2,000*l.* for Southampton, and they have struck out the 2,000*l.* for Southampton, leaving the Vote 38,000*l.* Another case suggested which is more apt to occur, and has occurred already, and I observe occurs constantly, is where Parliament has not been asked to express any opinion upon a particular public building, and you effect a saving by postponing another work which you intend to go on with in the next year, and you take that so-called saving and use it, not by transferring from one sub-head to

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 7.—Revenue Buildings—
*continued.**Mr. Blake—continued.*

another, but by making an expenditure to which the attention of Parliament has not been called at all, and has not had under consideration?—I think the honourable Member will find that it is absolutely essential that the Government should have a discretion of this kind. It is a power that the Treasury should not abuse, but it is absolutely necessary that this power should exist in the hands of the Government, and the department exercising that power is the Treasury.

Mr. Cohen.

1983. May I ask, do I understand you to lay it down in the case which Mr. Chamberlain put to you, that if Parliament had excluded a specific object in voting the money, power would reside in the Treasury to apply money for that object which Parliament had forbidden it to be applied to?—I should call that an abuse of the power.

1984. But the power resides in the Treasury?—I think so, provided the circumstances were exceptional enough.

1985. You are a high authority upon the question, of course; but it is rather startling to me?—I say it would be an abuse of the power.

Chairman.] I do not think we need pursue that, because it is only a hypothetical case. Of course, the Treasury, as a rule, would never think of doing that, and probably never would do it.

On VOTE 8.

PUBLIC BUILDINGS, GREAT BRITAIN.

Chairman.

1986. (To Sir E. W. Hamilton.) Would you be kind enough to explain the circumstances under which this purchase of the Imperial Institute buildings was carried out. I am afraid I do not quite follow it. It is referred to at page 86 in the Comptroller and Auditor General's Report on Vote 8, in paragraph 3?—The Imperial Institute was bought by His Majesty's Government for the purpose of housing the University of London and for housing the staff of the Imperial Institute itself. I can explain to honourable Members the main heads of the agreement, with their permission.

1987. First of all, they paid 55,000*l.*, of which 40,000*l.* is for the extinction of a mortgage and 15,000*l.* is in discharge of other liabilities of the Institute?—Yes; those are the two sums. The Government undertook to provide sufficient money to pay off an existing mortgage of 40,000*l.* on the building, and to discharge a floating debt of 15,000*l.*

1988. And then they stepped into possession of a lease from the Commissioners of the Exhibition of 1851?—Yes. The Imperial Institute transferred the leases they held from the Exhibition Commissioners to the First Commissioner of Works.

1989. Then do the Commissioners of Works hold it for the benefit of the Science and Art Department?—

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Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 8.—Public Buildings, Great
Britain—continued.*Chairman*—continued.

Department?—They hold such part as is not assigned to the Imperial Institute for purposes connected with Science the Arts and Education, including examinations by London University and by the Civil Service Commissioners.

1990. But the Science and Art Department have to do with that building, have they not?—No, it is only a small portion of it—one gallery.

Mr. Gibson Bowles.

1991. Has the transfer yet been made to the Commissioners of Works?—Yes, the transfer has been made.

Chairman.

1992. Would you have any objection to putting in a copy of the Treasury Minute relating to this matter?—I think it has been already put before Parliament, but I will put it in.

Mr. Blake.

1993. Is there any written document or memorandum showing what the elements of this purchase were, and indicating that included in them was the continued obligation to pay 864*l.* a year for a number of years. A minute has been handed to me which I understand is the minute you speak of?—Yes.

1994. That is the minute which does not contain that particular thing; this is a general minute?—Yes; subsequently to that there was a legal document drawn up in which all the details of the agreement were set out.

1995. Yes, but I am speaking of the time antecedent to or contemporaneous with the presentation of this minute to Parliament upon which Parliament passed the Vote; was there anything at that time in existence showing amongst the terms of the bargain that this obligation to pay a rent of 864*l.* for about 40 years was to continue notwithstanding the purchase?—As I explained the other day, it was unfortunately omitted from the minute, but there was an agreement in existence.

1996. You mean the lease was in existence?—Yes.

1997. That we understand; it is upon that that the continuing obligation to pay this money rests; but I am speaking of any written evidence of what the terms of the bargain were to show that it was contemplated that notwithstanding the property was purchased, the Government was still to be tenants of this portion of it from the Imperial Institute, and pay 864*l.* a year for 40 years. As a rule, when you buy property tenancy ends?—There was a written undertaking before the Treasury at that time in which this particular point was specifically mentioned.

1998. When this minute was prepared?—Yes.

1999. Is that capable of being produced?—No doubt it is.

2000. I think the Committee would like to see that, that is, the agreement between the two parties. The Commissioners of Works as I understand, and the authorities of the Imperial

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 8.—Public Buildings, Great
Britain—continued.*Mr. Blake*—continued.

Institute which did indicate at the time that the tenancy was to continue, and the obligation to pay rent was to continue, although we were arranging for the acquisition of the property itself?—I think the honourable Member ought perhaps to be told first that it is a legal document of some length. We can produce it if the honourable Member desires, but I do not think we could print it all.

2001. I was not proposing that it should be printed, just now at any rate. I daresay an extract from it containing the clause with regard to the continuance of the tenancy might be all that would require to be printed for our purpose. The difficulty I feel is the Parliamentary difficulty, that the proposal the Treasury laid before Parliament when the estimate was given is one that does not indicate that the terms were that after buying the building we were to continue to be tenants of part at this large rent?—I have already explained that it was an unfortunate omission from the Treasury Minute.

Mr. Gibson Bowles.

2002. (To Viscount Esher.) On page 74 there is a provision for fire appliances at Burlington House in respect of which there is an unexpended balance of 75*l.* 19*s.* 3*d.*; you see that item?—Yes.

2003. Are those fire appliances for the Royal Academy?—No, I fancy they were for the other buildings; I think they were for the learned societies which occupy two wings of the building.

2004. Do you take charge of the Royal Academy buildings in respect of fire appliances?—No.

2005. Or in respect of anything else?—No.

2006. They look after themselves?—Yes.

Sir Brampton Gurdon.

2007. At the bottom of page 75 it appears that a lift has been erected in lieu of erecting an addition in the area of the Foreign Office; has that addition, in the area of the Foreign Office, been abandoned definitely or only postponed; you will see it is Item A 5?—I think it has been abandoned.

2008. It really has nothing to do with the lift, has it; the lift is not instead of the addition to the area in anyway; it is quite a different service, I suppose?—It is a different service.

Mr. Goddard.

2009. There is a small point on page 73 about which I should like to ask; it says, under the heading "Claims Abandoned," 78*l.* 19*s.* 8*d.*, being the amount of rent receivable in respect of the "Blue Boar's Head," King Street, Westminster, has, with Treasury authority, been written off as irrecoverable; what steps were taken to recover that rent?—In that case the man was bankrupt and there were no assets.

2010. Then,

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Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 8.—Public Buildings, Great
Britain—*continued*.

Mr. Gibson Bowles.

2010. Then, I observe, the next paragraph on that page says, "A claim for 78*l.*, being the amount of rent, &c. receivable from the School of Art Wood Carving in respect of accommodation at the Imperial Institute has, with Treasury authority, been abandoned"; can you tell us anything about that?—That was a point which was referred to the Treasury, and they decided that this claim should be abandoned; I do not know on what grounds.

2011. (To Sir E. W. Hamilton.) Could you tell us why that claim was abandoned?—The school was doing extremely good work and it was in very necessitous circumstances, and it was pleaded, *ad misericordiam*, that this rent should be remitted.

2012. That does not seem a sufficient reason; I presume they had agreed to pay the 78*l.*, had they not?—I presume they had agreed to do so. (Viscount Esher.) This was again in connection with the transfer of the Imperial Institute. They were in occupation of a portion of the building, and this was part of the general arrangement, I fancy.

Sir Brampton Gurdon.

2013. But they would have to pay that rent to the Imperial Institute?—Yes.

Chairman.

2014. (To Sir E. W. Hamilton.) Did you say they were in great distress, and therefore it was abandoned?—Yes, they were in very necessitous circumstances.

Sir Brampton Gurdon.

2015. (To Viscount Esher.) It was rent due to the Imperial Institute, I suppose?—Yes, that is so.

2016. (To Sir E. W. Hamilton.) But why was the rent abandoned? Surely it is a subsidy to this School of Art Wood Carving without any definite authority from Parliament; it is practically subsidising this School of Art Wood Carving in an indirect way?—The honourable Member can put it in that way if he likes. It is a single payment.

Mr. Pym.

2017. Is that School of Art still there?—No.

2018. Were they got rid of in consequence of not being able to pay any rent?—I am afraid I do not know. Lord Esher could probably tell you as to that. (Viscount Esher.) I think it was in consequence of the general arrangements when the whole of the building was required for other purposes.

Chairman.

2019. I suppose it had broken up the school, in fact?—Yes.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 8.—Public Buildings, Great
Britain—*continued*.

Mr. Goddard.

2020. Then turning to page 80, I notice an item "For the purchase of the leasehold interest of 77 and 78, Pall Mall, and for other additional accommodation"; as I understand, the War Office came down with a Supplementary Estimate to the House, pleaded great urgency for more accommodation, and got this 6,700*l.* to buy these two houses 77 and 78, Pall Mall; what has become of those two houses?—The use of them has now been transferred to the Crown in lieu of Bushey House, which has been handed over to the Office of Works for the purpose of the National Physical Laboratory which was to have been built, as you will remember, in Richmond Deer Park.

2021. Then the War Office are not using those houses?—No.

2022. I believe they asked for 1,200*l.* to fit them up for the purpose of this work?—Yes. After the houses had been acquired the War Office requirements increased so immensely that it became necessary to take a very much larger building. They could have been accommodated here in addition to the other accommodation that was required; but it was found desirable to take that large house at the corner of St. James' Square, and that accommodated the whole of the staff, for which, at that moment, they required accommodation.

2023. By whose authority is a transfer made from one department to another in this way; was Parliament ever asked to sanction the change of the use of these houses?—Yes, Parliament has been asked to sanction the transfer of these two houses to the Crown in lieu of Bushey House by a special Vote being taken for the re-decoration of these houses.

2024. That is in this year's estimate?—Yes.

2025. That is 3,000*l.*?—That is so.

2026. But then that is not asking for the sanction of the House to the purchasing of these two places for an altogether different object. Am I right in saying that Parliament sanctioned the purchase of these two houses because the War Office were in urgent need of more room?—I do not know if Parliament was informed of the purpose for which the house was required.

2027. But it was a supplementary estimate?—It was a supplementary estimate taken by the First Commissioner of Works. I do not know whether the purpose for which the house was required was stated.

2028. Surely it was stated?—Yes, it was stated.

2029. Now this year they are asking for 3,000*l.* for refitting that house for a private residence? That is so.

2030. The War Office have since acquired other property to take the place of these houses?—That is so, in part.

2031. Then they really did not want this extra room which they asked Parliament to vote the money for?—Yes, they wanted this and a great deal more.

2032. But

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Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 8.—Public Buildings, Great
Britain—continued.*Mr. Goddard*—continued.

2032. But they are not using it?—You understand they required these houses and then in addition other accommodation.

2033. But as a matter of fact the change from one department to another has been made without any sanction of Parliament, simply by Treasury sanction; is that so?—Yes, that is so.

Sir Robert Mowbray.

2034. Has it been transferred to the Woods and Forests Department?—No, it is still in charge of the First Commissioners of Works, it is not absolutely transferred.

2035. It has not been actually transferred from one department to another?—It has not been legally transferred; it is only used for another purpose.

Mr. Goddard.

2036. It now comes under Class I., Vote 1., Item D.?—That is so.

Chairman.

2037. Perhaps the Committee will now take Class II., Vote 25, for which I believe you also answer?—Yes.

CLASS II.

On VOTE 25.

OFFICE OF WORKS AND PUBLIC BUILDINGS.

Chairman.

2038. (To Lord Esher.) The only question I have to ask upon this Vote is this. There is an excess upon travelling expenses under Sub-head B, which is attributed to a visit of inspection by the Board's Surveyor to the Legation and the various Consular Buildings in China. Was not that a thing that was anticipated. I suppose he was not sent to China all of a sudden, was he?—That visit was not anticipated.

Mr. Goddard.

2039. Was that Surveyor sent out from this country?—Yes; this was the principal Surveyor for Diplomatic Buildings in an office who was sent out there specially.

2040. Had he anything to do with these buildings?—Yes; he had been formerly out in China, but for many years he had been the principal Surveyor of Diplomatic and Consular Buildings in our office here concerned with this particular subject.

2041. Has he returned?—Yes.

2042. Has he made a report on the inspection of those buildings?—Yes, he has.

Chairman.] There is one more Vote which Lord Esher replies for also, namely, the Public Offices (Acquisition of Sites) Acts, and the Public Buildings Expenses Act, 1898. Perhaps the Committee will take that now, and so release Lord Esher.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 25.—Office of Works and
Public Buildings—continued.PUBLIC OFFICES (ACQUISITION OF SITES) ACTS,
1895, 1896, AND 1897, AND PUBLIC BUILDINGS
EXPENSES ACT, 1898.*Chairman.*

2043. (To Viscount Esher.) The large sums referred to in this Account of 450,000*l.* and 500,000*l.*, are the price given for sites for Public Offices, I imagine, at Westminster and Whitehall respectively?—That is so.

2044. With regard to the architect's fee, I suppose you have followed the usual course in the profession in apportioning 5 per cent.?—Yes.

2045. Has an architect been appointed in the place of Mr. Brydon since his decease?—No, not yet.

Mr. Herbert Lewis.

2046. Between how many architects are these fees divided?—Three.

Mr. Gibson Bowles.

2047. As I understand, you pay your architects 5 per cent. upon the total expenditure; is that so?—There is a separate agreement with each of the architects that does not exceed 5 per cent.

2048. I ask because the paragraph in the Comptroller and Auditor General's Report upon this Vote states that these sums "represent 5 per cent. on the estimated total cost"?—Yes.

2049. If there is anything in addition they get 5 per cent. upon that, do they?—There are special clauses in the agreement dealing with that point.

2050. Has your office ever considered the propriety of paying the architect upon a plan which renders it to his interest to have a greater expenditure than otherwise would be the case?—Yes.

2051. Have you ever considered whether any other plan might be substituted for that?—I consider we have a very considerable check by the appointment of Sir John Taylor who acts on behalf of the office as a special check upon those three gentlemen.

2052. Do not suppose that I am imputing anything at all, but I am only suggesting to you whether you might consider whether any other plan might be an improvement. Perhaps you have already considered it; I am only asking the question?—I think I may say in the case of Mr. Brydon, who has just died, the remuneration was fixed at 5 per cent. upon the estimated cost of the building quite irrespective of the total cost.

2053. It was not to be altered?—No.

2054. It was a fixed sum?—Yes.

2055. Therefore you have occasionally made an agreement with your architects for a fixed sum instead of for a variable percentage?—That is so.

2056. Do you think it would be advantageous to extend that practice at all in lieu of the 5 per cent.

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Viscount ESHER, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 25.—Public Offices (Acquisition
of Sites) Acts, 1895, 1896, and 1897, and
Public Buildings Expenses Act, 1898—
continued.

Mr. Gibson Bowles—continued.

cent. practice?—Yes, I should think it would. Of course it very rarely happens that we employ architects. It is only in connection with these three buildings that we have employed architects.

2057. (To Sir E. W. Hamilton.) Has the Treasury any view upon the point with regard to the method of remunerating the architect, whether by commission (as appears to be the case here) or by a fixed sum, as has occasionally been practised by the Office?—That question has never come before me personally; but I have no doubt the matter was carefully considered at the time in consultation with the Office of Works.

Sir Brampton Gurdon.

2058. (To Viscount Esher.) In the case you mentioned, who made the estimate; did your Office make the estimate?—Yes; we framed the estimate.

2059. Not the architect?—No.

Mr. Herbert Lewis.

2060. Over what period is this work expected to extend?—About four or five years from the present time.

2061. I presume the fee paid to Mr. Brydon is not personal to him?—No; only the proper proportion would be paid that is due to him up to the present time.

2062. I suppose the fee is paid by instalments, according to the amount of work done?—That is so.

(Viscount Esher withdrew.)

CLASS I.

PUBLIC WORKS AND BUILDINGS.

On VOTE 9.

SURVEYS OF THE UNITED KINGDOM.

Mr. Goddard.

2063. (To Sir E. W. Hamilton.) Can you tell us whether the staff of the Survey Department are not all military officers?—I think they are all military officers.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 9.—Surveys of the United
Kingdom—*continued.*

Mr. Goddard—continued.

2064. Are they not also in receipt of military pay; (to Mr. Richmond) perhaps the Comptroller General could tell us that. Are they military officers who are employed on survey only?—They are Royal Engineers.

2065. (To Sir E. W. Hamilton.) In the Estimates it is stated that the staff here are officers holding various ranks in the Army and receive their full pay also. If that is really the case why is it not shown in the return "Extra Remuneration," on page 89 of this account; there is only five guineas shown there?—I think it is shown on the face of the Estimate, and therefore it is not shown again in the Appropriation Account. Parliament has already been seized of that information by means of the Estimate.

2066. It is on the Estimate, but why is it not put under the head of Extra Remuneration?—When it has been already shown on the face of the Estimate I believe it is not again shown on the Appropriation Accounts.

2067. There seems to be no rule about it. In some cases the officers are only allowed to draw one salary, in some cases they are only allowed to draw part of a second salary, and in some cases they seem to be allowed to draw both salaries; what is the rule about it?—I cannot say what the rule is.

2068. These men are practically pensioned from one department and then paid by another; that is practically what it amounts to, is it not?—No, I do not think so. They are soldiers in active employment, not pensioned soldiers.

2069. Is that so?—Yes.

Mr. Herbert Lewis.

2070. That is to say soldiers in receipt of full pay?—Yes.

2071. But is it not the fact that there are a large number of them who are employed for a very long period of time and who therefore are receiving two definite payments, one from one department and one from the other at the same time?—I am afraid I do not know the exact terms of employment.

2072. Will the Treasury make inquiry into this particular question?—I can ascertain the information upon that point.

On VOTE 10.

HARBOURS UNDER THE BOARD OF TRADE.

Mr. GEORGE S. FRY, called in; and Examined.

Sir Brampton Gurdon.

2073. CAN you tell me whether the new groyne at Spurn Point has been entirely abandoned?—I am afraid I cannot say it is definitely abandoned, but it was not considered necessary to construct it during that current year.

Sir Brampton Gurdon—continued.

2074. It may be necessary in future?—Yes, it may be necessary in a future year.

[Mr. Fry withdrew.]

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Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class I.—continued.

On VOTE 11.

No questions.

On VOTE 12.

RATES ON GOVERNMENT PROPERTY.

Mr. Goddard.

2075. (To Sir E. W. Hamilton). With regard to Sub-head H. on page 95 "Rates on Houses occupied by Representatives of Foreign Powers" we paid 4,586*l.* 17*s.* 9*d.*; why did we have to pay the rates on those foreign representatives' houses?—They are supposed to be exempt from certain rates in this country on a footing of reciprocity.

2076. I notice on page 37 in the Vote for Diplomatic and Consular Buildings, there is an item of 5,530*l.* for the rents and the rates of Legation premises abroad. My point is this, we have to pay the rents and rates on the Legation premises abroad, and why should these foreign consuls not have to pay their rates in England; that is the point I am driving at?—The Sub-head on page 37 is "Rents"; I do not see anything about rates there.

2077. The heading is "Rents, &c."?—That means rents.

2078. That means rates as well, does not it?—No, I do not think there are any rates. It is really a matter of international comity.

Mr. Gibson Bowles.

2079. Am I right in my belief that we pay rates for foreign ministers and ambassadors or excuse them rates where they pay rates for us or excuse us from rates?—Yes.

2080. Is there not an arrangement of that description?—That is the arrangement I believe.

Mr. Goddard.

2081. Under heading "C., Rates and Contributions in lieu of Rates, &c., England," as regards rates paid on Royal Palaces and other buildings not in the occupation of the Crown, are the payments made on behalf of those residences recovered in full?—In places, for instance, such as St. James' Palace, where people are allowed residence.

2082. What you call "Grace and favour" residences?—Yes, it is claimed back from them.

2083. You get it back?—Yes.

2084. The whole of it?—Yes, the whole of it.

Sir Robert Mowbray.

2085. That comes under Head I., "Appropriations in Aid," does it not?—Yes, that would be so.

Mr. Gibson Bowles.

2086. May I call your attention to Item G. on page 95, "Metropolitan Fire Brigade, 10,000*l.*"; am I right in my belief that that is the contribution made to the Metropolitan Fire Brigade at the time the Government did not pay rates,
0.14.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 12.—Rates on Government—
Property.—continued.

Mr. Gibson Bowles—continued.

or at any rate not ample and full rates on this property?—That is so.

2087. But am I right also in my belief that the Government does now pay adequate rates upon this property?—Yes, it does now.

2088. Then does not it seem to you that the time has arrived when the payment of this 10,000*l.* a year should cease, inasmuch as it is now made in another, and, as I think, its proper form?—I think the consideration of the question has been postponed until the Government considered the Report of the Local Taxation Commissioners, which will be before long.

2089. I think this stands upon its own ground, and it does seem to me that now we are paying our full share, as the Government, of the rates we ought not in addition to pay the 10,000*l.* which, as a matter of fact, we used to pay because we did not pay our full burden of the rates; it is paying it twice over?—It is a matter of policy, not a matter of account.

2090. May we hope that the Treasury will take this matter of the continuance of this 10,000*l.* into its own consideration; I suppose it would be a Treasury matter?—I have no doubt the Financial Secretary will take it into his consideration on the next occasion.

On VOTE 13.

PUBLIC WORKS AND BUILDINGS, IRELAND.

Mr. Goddard.

2091. (To Mr. Richmond.) In your Report on this Vote, at the end of page 110, you say: "In view of the apparent intention of the 5th section of the above-mentioned Act I have thought it right to notice the facts"; I do not quite understand what intention you refer to?—The Act said that, from a certain date, nothing more should be paid.

2092. The Act does not say so in words; do you mean that is the apparent intention of it?—The words of the Act are, I think, pretty clear, and so were the terms of the Estimate presented to Parliament. It says: "The Annual Grant of 25,000*l.* is intended to replace all the provisions for expenditure by or on behalf of the Board which have hitherto been borne upon the Votes of Parliament. Accordingly, as from the 1st October 1899, not only the salaries and expenses, but also the cost of office accommodation, rates, stationery, &c., for the Board will cease to be directly charged upon the Votes." That is why I called attention to it; nevertheless, after that date, this sum of 1,700*l.* was paid.

2093. But that was because the Treasury thought it was really due before that date?—I understand it was regarded as an honourable understanding that it should be paid at an earlier date, but, at the same time, after the date of the payment of this annuity, in strictness, the money was not payable.

U

2094. What

19 June 1901.]

Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class I.—Vote 13.—Public Works and
Buildings, Ireland—*continued*.

Mr. Austen Chamberlain.

2094. What was it you were quoting from just now?—From a note to the Supplementary Estimate for 1899-1900, Parliamentary Paper, No. 288, printed 21st July 1899.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.CLASS I.—*continued*.

On VOTE 14.

No questions.

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

On VOTE 1.

HOUSE OF LORDS OFFICES.

Mr. HENRY J. L. GRAHAM, C.B., called in; and Examined.

Chairman.

2095. You, as Clerk of the Parliaments, answer for this Vote for the House of Lords Offices, I believe?—Yes.

2096. I wish to ask two questions about this Vote. I observe in Item K. a sum of 200*l.* is taken for "witnesses attending committees," which is commented upon by the Comptroller and Auditor General in his Report upon this Vote; he says that for some years this money has not been expended, and that, in fact, in this year under review none of it was expended; do you see any necessity for taking that sum, or at any rate taking so much?—I think it is necessary to take a sum of about that same amount. The amount has been estimated on an average of years, and that is what it comes to. I can give the returns of what has been paid. The amount, of course, depends entirely upon the number of committees and what evidence is required before the committees, and the expenses of the witnesses.

2097. But it is not only that in the year under review it was a shorter Parliament, but apparently for the last few years this amount has not been expended?—Not in the last few years; but in the current year we have already expended nearly the whole of the 200*l.* We have a committee sitting on Early Closing of Shops in regard to which the expense in regard to this item has already reached 194*l.* 16*s.* 9*d.*, and there is another committee, a Joint Committee, on the Widows and Orphans of Soldiers and Sailors, which has just began to sit, before which witnesses are being called; and there is a third committee, also a Joint Committee on the Housing of the Working Classes before which it is possible witnesses may be called.

2098. At any rate you will spend the 200*l.* this year?—We shall spend more than 200*l.* this year.

2099. I observe under Sub-head H. there seems to be a coal porter who is now engaged in active service in South Africa, to whom some balance of his civil pay was due, but he has not left with anybody authority to receive his civil pay?—That is so. He went away in February last year and did not leave any authority with anybody to receive his pay for him. This

Chairman—*continued*.

balance of 7*l.*, which is referred to in the Report, was owing to him at the end of March, but at that time no authority had been received from him to pay the money to anyone. Since that time he has sent the authority. This money had been invested for him in the savings bank; the authority has since come from him and a copy of it has been sent to the Audit Office, and therefore it will appear in this year's account.

Sir Brampton Gurdon.

2100. I presume he does not get full pay all the time he has been in South Africa?—His duties are being done by the other coal porters for him by arrangement; they work overtime, and those other men are paid a certain proportion out of his salary, and there is a balance left which he receives.

Mr. Austen Chamberlain.

2101. You spoke of the expenses for witnesses this year being very heavy, owing to the Committees you mentioned; I think some of them were Joint Committees?—Yes.

2102. In the case of a Joint Committee are the whole of the expenses of witnesses before the Joint Committee charged to the House of Lords?—No; they will be divided between the two Houses.

Mr. Gibson Bowles.

2103. In paragraph 4 of the Report upon this Vote, attention is drawn to the fact that you omitted to mention that 26*l.* 5*s.* out of the vote for the Treasury (Class II., Vote 3) for work done in connection with the Statute Law Committee, has been received by the Librarian?—Yes.

2104. Would you tell us why that was?—It is an omission; it ought to have appeared in the shape of a note; it does not affect the Vote in any way; but it is an omission, and it will be rectified in future.

2105. Is this Statute Law Committee the Committee that sits upon the Consolidation of the Statutes?—Yes.

2106. Is that Committee still sitting?—Yes.

2107. In

19 June 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Mr. GRAHAM, C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 1.—House of Lords Offices—
*continued.**Mr. Goddard.*

2107. In regard to this item of 200*l.* which you take for witnesses, when it is not expended, as in this case, is the money refunded?—Yes.

2108. And you have to ask for an excess Vote when you spend more than the 200*l.*?—Yes, or else we are allowed to take the money from other heads of the Vote.

2109. May I ask with regard to Item P., "Appropriations in Aid," with regard to the Fee Fund there is a certain sum of money invested in the funds there, is there not?—Yes.

2110. Can you give us any information about that fund, as to how it is invested, and who manages it?—It is invested in the names of myself as Clerk of the Parliaments and the Clerk Assistant. It is a sum which arose out of years when great excesses of fees were received beyond the expenses of the House of Lords. The amount is 42,000*l.* invested in Consols. The interest is applied to pensions.

2111. Do you administer it?—Yes.

2112. Is it a fund audited by the Comptroller and Auditor General?—Yes, it forms part of the audit.

Mr. Pym.

2113. Who are the people who get the superannuation from that fund?—The superannuated officers of the House of Lords.

2114. Do you mean by "officers," clerks, and so on?—Yes.

2115. Do you mean that every officer of the House of Lords who is superannuated under the Civil Service arrangements gets this pension in addition?—No, not at all. It is the first fund chargeable with the pensions of the House of Lords officers, and if it is not sufficient (which it is not) to provide for them, then the fees are arrested to make up the balance.

Mr. Gibson Bowles.

2116. You say the amount of this fund is 42,000*l.*?—Yes.

2117. Do I understand the total fund amounts to 42,000*l.*?—Yes.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 1.—House of Lords Offices—
*continued.**Mr. Gibson Bowles—continued.*

2118. That is only about one year's ordinary fees, is it not?—One whole year's fees, in the present condition of things. These fees, I may say, are very large of late years; they are unusually heavy; they have increased in the last three or four years very much.

2119. These fees are not supposed to be subject to the purview of Parliament; is that so?—They are settled by the House of Lords. The House of Lords and the House of Commons settle their own scale of fees.

2120. But I mean these fees are supposed to occupy a different position from the ordinary receipts, from the ordinary sources of revenue; are they not?—They are all paid into the Exchequer.

2121. But the House of Lords, I believe, claims a special control over them?—Do you mean in regard to fixing the amount of the fees? The amount charged to suitors is, of course, fixed by the House of Lords.

2122. Does the House of Lords claim any special authority over the fund created out of fees?—No; except for the purpose of paying pensions. The interest on this fund, by an arrangement made with the Treasury many years ago, is to be the primary fund out of which the pensions are to come.

2123. You mean this fund of 42,000*l.*?—Yes.

2124. I am not speaking of that for the moment; what I am asking is, whether the House of Lords claims any special authority, for instance, over this 42,000*l.* realised in the year as fees?—Only this—that the House of Lords will take the fees necessary to make up the amount for the pensions of its officers before paying the balance into the Exchequer; that is all.

2125. Am I right in saying that the authority which the House of Lords claims and exercises over these fees, this 42,000*l.*, is authority to deduct from it, before paying into the Exchequer, any amount that may be required to complete the sum necessary for pensions; is that an accurate description of it?—Yes.

[Mr. Graham withdrew.]

On VOTE 2.

HOUSE OF COMMONS OFFICES.

Mr. WILLIAM GIBBONS, called in; and Examined.

Chairman.

2126. I wish to ask a question with regard to the item for witnesses' expenses, for which 700*l.* was taken and only 168*l.* was spent?—Yes.

2127. Is this 700*l.* taken upon an average of years?—Not of the last few years; in the last few years no doubt the expenses have rather fallen off, but I went back to see the sums which not only were estimated but which were
0.14.

Chairman—continued.

expended in the earlier Sessions of a new Parliament. I thought it more likely that committees might be more active (it has not turned out so) in the earlier Sessions of a new Parliament, and I found there had been more evidence taken and more witnesses called in such Sessions, and therefore I thought it safer to estimate for that increased amount this year.

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2128. But

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Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Mr. GIBBONS.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 2.—House of Commons Offices
—continued.*Chairman*—continued.

2128. But I am asking with regard to the year under review, the year 1899-1900?—For the year ending the 31st March 1900—I did not make the estimate myself, that was done by my predecessor—I was referring to the estimate for this year.

2129. Did you take 700*l.* for this year?—Yes, it is 700*l.* for this year.

[Mr. Gibbons withdrew.]

ON VOTE 3.

TREASURY AND SUBORDINATE DEPARTMENTS.

Sir Brampton Gurdon.

2130. (To Sir E. W. Hamilton.) May I ask, with regard to Sub-head S., why the principal chemist of the Government Laboratories has now been put under your Vote?—It was the result of the recommendation of a Departmental Committee.

2131. Where does he work?—He works at Somerset House, I think.

Mr. Austen Chamberlain.

2132. I think it is the case that he works at Somerset House, or in one of the buildings attached to the Inland Revenue Department; but he is the principal adviser of the Government on subjects coming within his cognizance, is he not?—That is so.

2133. His assistants, or certain of his assistants, are charged in the Inland Revenue Vote because they are practically Inland Revenue Officers?—Yes.

2134. But the principal chemist being the adviser to the Government generally, and not merely a Revenue Officer, he is charged upon the Treasury Vote as being the more general vote instead of being charged under the Revenue Vote which is a more special vote?—That is so.

Sir Brampton Gurdon.

2135. Just in the same way as the Parliamentary Counsel is put under the Treasury Vote as being available to do work for all the departments?—Exactly.

Mr. Gibson Bowles.

2136. Does the principal chemist work for other Departments except the Treasury and the Inland Revenue?—My impression is that he does work for the Home Office also, in regard to explosives for instance.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 3.—Treasury and Subordinate
Departments—continued.*Mr. Austen Chamberlain.*

2137. Would not the Treasury refer to him for advice in regard to appointments in this Branch?—Certainly.

Mr. Gibson Bowles.

2138. Under Sub-head R, "Receiver of Hereditary Revenue," I see there is a grant of 445*l.* Why is it necessary to have a special Receiver of Hereditary Revenue; why not let the sums arising from Hereditary Revenue be paid in the ordinary way to the Exchequer by the recipients?—It is an office that will be abolished on a vacancy.

Mr. Goddard.

2139. In regard to item F., "Fees to Counsel, etc.," I observe there is a sum of 1,500*l.* voted and 2,120*l.* expended?—Yes.

2140. What are those fees for?—For drafting bills.

2141. Is there any regular scale of fees?—Yes, there is a scale.

2142. On what principle are they paid?—One of the assistants, for instance, is paid so much a year.

2143. That is a fixed sum?—Yes.

2144. That would not be fees, would it?—It is called fees.

2145. Would it not come under the head of "Salaries and Wages"?—I am not certain whether it is only fees; I fancy one of the assistants is paid out of these fees by a fixed sum, but I am not sure.

2146. Do you know why there was such an excess this last year; it was not a particularly active Parliamentary year, was it?—As regards drafting bills, it may have been.

Sir Robert Mowbray.

2147. Is it the case that in this office of Parliamentary Counsel there are a certain number of persons employed at a fixed salary, and others who are brought in to do extra work when the pressure of work requires it?—There is the Parliamentary Counsel and the assistant Parliamentary Counsel who are paid by salary. When there is work beyond what they can do, then an outside man is employed.

2148. Of course he is paid by fees?—Yes.

2149. And that creates irregularity and difficulty in estimating the exact amount?—Yes.

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SIR E. W. HAMILTON, K.C.B., and MR. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1899-1900.

On VOTE 4.

HOME OFFICE.

MR. WILLIAM P. BYRNE, called in; and Examined.

Chairman.

2150. I want to ask with regard to the two last items, C. C. and D. D., in this Vote. Under item C. C., "Contributions to Certified Inebriate Reformatories," for which the grant is 10,000*l.*, only 900*l.* was spent, and in regard to item D. D., "Fees and Expenses of Medical Referees, etc," 5,000*l.* was taken and 121*l.* was spent. Of course you could not very well tell immediately after the Acts were passed what expenses would be incurred under them, but do you see any necessity for taking or any possibility of spending 10,000*l.* upon these Inebriate Reformatories?—Yes, it was thought and it is thought now that there was good reason for taking that amount at that date. It was quite impossible to tell whether the action that was contemplated by nearly all or at least a very large number of the county councils in England would not have immediately followed; as a matter of fact the delays were quite unexpected by the department.

2151. But what has happened in the year since that; what has the expenditure been?—In the third year, that is to say in the Estimates of the present year, it has been reduced to 8,000*l.* every penny of which will be spent.

2152. Then the item "Fees and Expenses of Medical Referees" is in regard to cases of compensation to workmen, is it not, under the Act of 1897?—Yes.

2153. Do you think that the amount taken is at all excessive?—The result showed it to be very excessive, but it has been reduced even more substantially now. This was really the first year in which it was possible to base the estimate on experience.

Mr. Goddard.

2154. Paragraph 3 of the Comptroller and Auditor General's Report refers to a case under Sub-head F., where an inspector of factories absconded, did he not?—He has absconded; he is believed to be out of the country now.

2155. Why were not inquiries made so as to find out, approximately, how much this inspector defrauded the public funds of?—I think the reasons, chiefly were that the inquiries would have to have been in the nature of a visit paid to each factory or workshop which he alleged he had visited. Our inquiries would have been just simply duplicating the expense wrongly charged, because the officer who investigated it would have had to incur expenditure for hotel bills and travelling; and it was thought that no good result would ensue. It would also have exposed the department to all the factory owners in the neighbourhood, with, perhaps, a bad result.

2156. Is that what is meant when it is said in this letter, on page 136, that such inquiries would be "detrimental to the public interest"?—I think, probably, those were two of the most

Mr. Goddard—continued.

important reasons that were contemplated when that letter was written.

2157. Supposing this man was found, he could not very well be tried, I presume, without this information which has never been obtained?—Sufficient information to dismiss him and to formulate a criminal charge was obtained.

2158. Were all possible steps taken to find and arrest the man?—Yes.

2159. Do you happen to know the amount of his defalcations?—No; it would be quite trifling. His monthly expenses would not amount to more than 30*l.*, and it is probable it had only been extending over three months at the most.

Chairman.

2160. I believe you answer for two other Votes, namely, Vote 6 and Vote 8 in Class III.?—Yes.

CLASS III.

LAW AND JUSTICE.

On VOTE 6.

POLICE, ENGLAND AND WALES.

Chairman.

2161. The change in regard to salaries under this Vote is made with the object of abolishing allowances, and to put all the officers upon fixed salaries?—Yes.

On VOTE 8.

REFORMATORY AND INDUSTRIAL SCHOOLS,
GREAT BRITAIN.*Chairman.*

2162. I observe that there has been a very satisfactory payment of contributions by parents for their children who are in these industrial schools?—Yes, it is rising annually.

2163. What is the contribution paid by the parents?—It depends upon the order made by the magistrate at the time of committing the child, or on application being made to him subsequently; it varies from 6*d.* a week to 2*s.* in very rare cases; it averages slightly over 1*s.* a week.

2164. The parents are legally bound to pay the contribution, but what you mean is that there has been a satisfactory collection made from them?—Yes; they are legally bound to pay, but these people are very destitute and very migratory in their habits, and they are not very easy to find.

2165. And also it shows an annual increase?—Yes, a very satisfactory annual increase.

[Mr. Byrne withdrew.]

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Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1899-1900.

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

VOTE 5.

FOREIGN OFFICE.

Postponed.

On VOTE 6.

COLONIAL OFFICE.

Postponed.

On VOTES 7 and 8.

No questions.

On VOTE 9.

MERCANTILE MARINE SERVICES.

Mr. GEORGE S. FRY, re-called; and further Examined.

Sir *Brampton Gurdon*.

On VOTE 11.

2166. In regard to the Mercantile Marine, I want to ask whether this officer, referred to in paragraph 3, the late Vice-Consul at Bremerhaven, has been prosecuted?—Yes, and convicted.

2167. Then, I suppose, this sum which has been got back was got out of him?—It was got back through the Foreign Office.

2168. But, of course, there is no chance of getting back this net loss of 685*l.*?—Not the slightest.

2169. He is now in prison, I suppose?—I think he is out now, but he was in prison.

Mr. *Goddard*.

2170. In this year's estimate with regard to that matter I notice there appears for the first time a charge for "officers stationed at Antwerp, Dunkirk, Hamburg, and Rotterdam, employed in connection with transmission of seamen's wages"; is that expense to avoid, in future, such defalcations as appear here?—No; they were formerly charged upon the Board of Trade Vote. It is simply a re-arrangement of the charge.

2171. It has nothing to do with this point?—No.

2172. Can any steps be taken to avoid such losses as these in future?—We have been trying to make arrangements with the Consul General at Hamburg, who is the superior officer at Bremerhaven, by which we should get more frequent checks and more speedy remittances.

2173. There have been several cases of defalcations during recent years, have there not?—There have been two or three under Board of Trade, but over a great many years, I think.

[Mr. *Fry* withdrew.]

On VOTE 10.

No questions

BOARD OF AGRICULTURE.

Mr. *Goddard*.

2174. (To Sir *E. W. Hamilton*.) I notice that there were Grants in Aid under this Vote, which amount, in the two items, England and Ireland, to 54,500*l.*, and they are apparently paid over to separate accounts and administered altogether apart from the Board of Agriculture; are they subject to examination by the Comptroller and Auditor General, and to the return of unexpended balances?—I think the Comptroller and Auditor General, to a certain extent, goes through them; he does not go through them in great detail, but I think the account is submitted to him.

2175. Are the unexpended balances returnable?—No, not in any grant in aid.

2176. I notice in two cases of the separate grants there is a large and increasing balance in hand in the accounts here?—That would be so in the case of grants in aid.

2177. Then with regard to the very large staff employed in the work of these funds, are any details furnished to Parliament as is done in regard to other Votes?—I rather think that last year the Board of Agriculture undertook to give some more information about that.

2178. You notice in this particular case, in the English grant, there is an expenditure of nearly 40,000*l.*, made up of salaries, 21,658*l.*; travelling expenses, 8,438*l.*, and miscellaneous expenses, 9,269*l.*, making nearly 40,000*l.* against a total of only 43,061*l.* for compensation paid; that is to say, nearly as much expenses in the administration as the amount of compensation?—That is so.

2179. In the Irish case you will see the proportion is even larger. The salaries, travelling expenses

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Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 11.—Board of Agriculture—
*continued.**Mr. Goddard—continued.*

expenses and miscellaneous expenses amount to 11,200*l.* against only 9,300*l.* which is given for compensation?—Yes.

Sir Brampton Gurdon.

2180. That expense is incurred with a view of preventing the spread of disease?—Yes.

Mr. Goddard.

2181. There are no details given?—I think in Ireland it is in connection with the suppression of rabies

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 11.—Board of Agriculture—
*continued.**Mr. Herbert Lewis.*

2182. I think you said the Board of Agriculture last year promised certain information to Parliament; has that information been given?—My recollection is that they promised last year to give more detail in their accounts, but I have not the reference by me.

On VOTES 12 to 15.

No questions.

On VOTE 16.

LOCAL GOVERNMENT BOARD.

Mr. JOHN JORDEN, called in; and Examined.

Chairman.

2183. Do you appear to answer for the Local Government Board Vote in place of the Accounting Officer, Mr. Monro?—Yes. Mr. Monro is away on leave.

Mr. Goddard.

2184. With regard to Sub-heads M. and N. on page 175, the deficit is stated to be "caused by the appointment of additional temporary inspectors," is that a purely temporary matter; will it not occur again?—Yes, it has gone on from year to year for some years past up to the present time.

2185. Was there any particular reason for temporary inspectors last year?—There was no special reason that year, the work on which they are engaged is practically permanent.

2186. You always have a certain number of temporary inspectors?—Yes.

2187. In fact that is the cheapest way?—That is really the cheapest way, I think.

2188. In this particular year you happened to have more than you expected?—We had not more than usual, but the Treasury authority for the continuance of the employment of temporary inspectors was not received in time to permit of provision being made in the Estimates.

Mr. Pym.

2189. You said just now that it was the cheaper way to have these temporary inspectors; is that correct?—It was thought undesirable to appoint permanent officers until it was absolutely certain that the work would be of a permanent character.

2190. Can you insure, under this arrangement, that you get thoroughly good men as inspectors, taking them temporarily in this manner?—Yes, we get the same class of men as the permanent inspectors.

2191. You can insure that you do get the same class of men?—I think so. Very great care is taken in the appointment of inspectors.

Mr. Pym—continued.

2192. Are there always a number of men whom you can put your hands upon, who are prepared to undertake work of this kind for the Local Government Board?—Yes; there is no difficulty in getting good men.

2193. What class of men are they?—A portion of them would be retired officers of the Royal Engineers.

2194. It is a class of work that you require men of that position to undertake?—Yes.

2195. What sort of fee do you pay?—They get a fixed salary.

2196. During the time they are engaged?—During the time they are engaged.

2197. For how long is this temporary employment as a rule?—They go on from year to year.

Mr. Austen Chamberlain.

2198. "Temporary" only means, does it not, that they are not on the establishment; it does not mean that they are engaged by the job?—Quite so. They have been re-appointed from year to year.

Mr. Pym.

2199. They are appointed from year to year?—They are appointed from year to year on an annual salary.

2200. They are retained by the Local Government Board in this temporary position on an annual salary?—Yes, that is so.

Mr. Jorden withdrew.]

On VOTES 17 TO 22.

No questions.

VOTE 23 (STATIONERY AND PRINTING).

Postponed.

19 June 1901.]

Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—*continued.*VOTE 24 (OFFICE OF WOODS, FORESTS,
AND LAND REVENUES).

Postponed.

On VOTE 26 (SECRET SERVICE).

Mr. *Herbert Lewis*.

2201. (To Sir *E. W. Hamilton*.) With regard to the Vote for Secret Service the grant is now, as I understand, 65,000*l.* This was the last year during which a grant of 30,000*l.* was given?—That is so.

On VOTES 27 to 32.

No questions.

On VOTE 33 (CHIEF SECRETARY
FOR IRELAND).Sir *Brampton Gurdon*.

2202. (To Sir *E. W. Hamilton*.) Do you know why the first-class clerk in the Chief Secretary's office got such a very large amount of extra remuneration as 420*l.*?—It is in respect of salary as private secretary to the Chief Secretary for Ireland. He also gets an additional allowance for living in London.

2203. Is he not rather a highly placed officer to be private secretary?—He has been private secretary for a great many years.

Mr. *Austen Chamberlain*.

2204. He is not private secretary any longer, I think?—There is a new one appointed now.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—*continued.*

On VOTE 34.

No questions.

On VOTE 35.

LOCAL GOVERNMENT BOARD, IRELAND.

Mr. *Herbert Lewis*.

2205. (To Sir *E. W. Hamilton*.) In regard to the Vote for the Local Government Board, Ireland, a question was raised in the House, I do not know whether it would be proper to raise it here, with regard to the appointment of the clerk of a county council. The County Council wished one particular gentleman to be appointed as clerk, and the Local Government Board took a different view; do you know whether there are any regulations as to the examinations enforced in connection with the Local Government Board, that is to say, whether clerks of county councils have to pass an examination?—I am not acquainted with that matter; I could ascertain for the honourable Member, of course, if it be desired.

Chairman.] I am afraid that hardly comes within our purview.

On VOTES 36 to 39.

No questions.

[The Witnesses withdrew.]

Wednesday, 26th June 1901.

MEMBERS PRESENT :

Mr. Baldwin.
Mr. Banbury.
Mr. Austen Chamberlain.
Mr. Cohen.
Sir Thomas Esmonde.
Mr. Goddard.

Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray.
Mr. Pym.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Sir EDWARD W. HAMILTON, K.C.B., and Mr. DOUGLAS CLOSE RICHMOND, called in;
and Examined.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1899-1900.

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

On VOTE 23.

STATIONERY AND PRINTING.

Mr. THOMAS DIGBY PIGOTT, C.B.; called in, and Examined.

Chairman.

2206. You come to answer for the Stationery Department of which you are the head, I believe?—Yes.

2207. I observe that under Sub-head J. the amount expended was 13,071*l.* short of what was granted; that is a very considerable difference. Do you think that too large a sum is taken for that sub-head for printing, paper, building, &c., for the two Houses of Parliament?—As explained in the note, which you will see on page 193 in regard to Sub-heads E., H., J., and K., "Printing for Public Departments," "Printing for Parliament," and printing for what are called "Stationery Office publications," are practically all one and the same; it is only a matter of account at the end as to which particular sub-head prints are charged to. They are all set up in type in the first instance by the Stationery Department. If they are afterwards presented to Parliament they are charged to Parliament. If the paper is not presented, but a certain number of copies are sold, so far as they can be divided the copies printed for sale are charged as Stationery Office publications, the rest to "Printing for Public Departments." We never can tell how it will work out; they are practically all one sub-head. We try to estimate as nearly as we can beforehand what we are likely to require for printing of all sorts. It is as near as we can

0.14.

Chairman—continued.

estimate. On these sub-heads, in this instance I asked for about 5,000*l.* more than we actually spent. But it is really a matter of account afterwards as to which particular sub-head it is allocated to.

2208. You think you cannot approximate nearer than this?—It is very difficult to do so.

2209. With regard to Sub-head M, "Parliamentary Debates and Records," does the excess incurred of 1,946*l.* represent the annual expense of presenting the Parliamentary Debates to Members of the House of Commons?—I have not got the figures before me at the moment, but I could easily give the actual cost.

2210. I observe in the explanation you attribute the excess on that vote to the fact of the free issue to Members of Reports of Parliamentary Debates for which no provision is made under this sub-head?—Yes, mainly to that.

2211. Was not that foreseen?—No, it was not foreseen. It was only in the Session of 1899 that Members of the House of Commons first received these gratuitous supplies.

Mr. Cohen.

2212. The privilege of receiving these reports gratis does not involve the original setting up the reports in print or the expense of their distribution, but the only additional expenditure involved

26 June 1901.] Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and Mr. PIGOTT, C.B. [Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class II.—Vote 23.—Stationery and Printing—
continued.

Mr. Cohen—continued.

involved, so far as I can see, is printing off so many more copies. Is that not so?—We have to buy them. They are not printed by the Government, they are printed by the contractors, and we buy so many copies as they are required.

2213. May I take it that the printing of the extra 670 copies, which would include every Member, non-official and official, amounts to 1,946*l.*, because of course they are distributed to the House of Commons with the Parliamentary Papers, and therefore there is no extra cost of distribution?—The cost of distribution does not come upon this vote at all.

2214. Then it is only the cost of printing that extra number of copies?—That is so.

2215. Is that believed to be 1,946*l.*?—I could give the actual figures. If I recollect rightly it is 13*s.* a volume that we pay, or if delivered in daily parts, somewhat more. You will see that would total up to a considerable sum.

2216. Yes. You say it is 13*s.* a volume; would that give about 1,946*l.*?—I think the number of copies now taken is about 350, or something like that. Speaking roughly, they would cost from 5*l.* to 6*l.* It used to be 5*l.* 5*s.* a session. I forget for the moment whether this was a long or a short session.

Chairman.

2217. This sum of 16,000*l.* which is alluded to in the Comptroller and Auditor General's Report at the end of paragraph 3, is the sum which the departments owe you, is it not, for stock issued to them. If you look at the words at the end of the paragraph, it says: "The balances remaining unpaid on the 31st March 1900 (whether claimed or not yet claimed from re-paying departments) on account of the value of stock issued by the Stationery Office amounted to 15,976*l.* 17*s.* 4*d.*"?—We supply certain offices (such, for instance, as the Ecclesiastical Commissioners and other departments who have funds of their own) and reclaim the money afterwards.

2218. But do you not supply all the offices?—We supply all the offices, but some we receive the cost from afterwards. One that occurred to me as a typical instance is the Ecclesiastical Commissioners. They have funds of their own; but they obtain their supplies from us so as to get the benefit of our wholesale prices, and we make out the bill against them and recover the money afterwards.

2219. In the case of the Treasury that is not a repayment, is it?—No, all the departments which are maintained entirely at the cost of votes of Parliament get their supplies from us as a charge against this vote. But there are certain departments (of which I took the Ecclesiastical Commissioners as an instance) which are quasi-Government departments but which are not solely dependent upon votes of Parliament,

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class II.—Vote 23.—Stationery and Printing—
continued.

Chairman—continued.

in those cases they usually obtain their supplies from us and we reclaim the money from them afterwards.

2220. The only other question I wish to ask is with regard to public libraries, what is your practice with regard to furnishing Parliamentary Papers to them?—Parliament places at the disposal of the Stationery Office 100*l.* (which is now raised to 150*l.*) and within that limit we supply to the free libraries any Parliamentary Paper they demand.

2221. Then any free library may ask you for Parliamentary Papers?—Any free library may ask for, and provided our money is not exhausted, obtain any Parliamentary Papers they require.

2222. In priority of claim I suppose?—Yes, in priority of claim. As a matter of fact until about a year ago the limit fixed by Parliament never had been reached; latterly, in the last year or two, the interest of public libraries in Parliamentary Papers has considerably increased, and our vote is now 150*l.* instead of 100*l.*, and it is very likely this year that that 150*l.* will be reached.

2223. If more Parliamentary Papers are required you would simply ask for 200*l.* instead of 150*l.*, I suppose, or whatever it might be?—Theoretically we never exceed the vote of Parliament. But, in the case of the free libraries, when this grant was first given we did apply to the Treasury to let us supply beyond that amount, and leave was given.

2224. Practically any free library which applies for Parliamentary Papers gets them?—Practically any free library which applies for Parliamentary Papers gets them.

Sir Brampton Gurdon.

2225. Would that be a selected set?—No; we do not allow them to give an order for a whole set; they must make a specific demand for particular papers. If we allowed them to simply make one demand to supply all Parliamentary Papers nothing like 100*l.* would touch it.

Mr. Goddard.

2226. Do you issue special order forms for free libraries?—No.

2227. Do they apply in each case?—They apply in each case. The form is that each library can appoint an accredited agent. Very often the Member for the District acts as the accredited agent. All we ask is that the library shall write to us to say that so-and-so is appointed to act on behalf of the library as the accredited agent, and then any demand that we receive from that agent is complied with as a matter of course, provided the limit laid down by Parliament is not exceeded.

Mr. Herbert Lewis.

2228. It must be a rate-supported institution?—Yes, a rate-supported library.

2229. Apart

26 June 1901.] Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and Mr. PIGOTT, C.B. [Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class II.—Vote 23.—Stationery and Printing—
continued.

Mr. Cohen.

2229. Apart from the greater interest taken in Parliamentary Papers in the last year or two there is a greater number, of free libraries?—They are increasing in number no doubt. I think the libraries have found out the privilege and are availing themselves of it more largely.

Mr. Herbert Lewis.

2230. Do I rightly understand that to such libraries you grant surplus copies of the Blue Books?—That is under quite a different arrangement. In earlier years certain Papers, especially Record Office publications, were printed in a larger quantity than there was a sale for, and consequently there was a large accumulation of these old volumes in the Stationery Office. A Committee was appointed some years ago to consider how those old volumes should be dealt with; and it ended in authority being given to the Stationery Office to supply them to places of higher education and rate-supported libraries, &c. That was only as regards those old volumes of which there was a surplus stock; that is quite apart from the grant of Parliamentary Papers.

Sir Brampton Gurdon.

2231. There is one point I wanted to ask about. Sub-head O. is a service that has been going on for I do not know how long; I can only answer for the last 50 years. Is there any chance of its coming to an end?—Yes; I hope there is a reasonable chance.

Mr. Goddard.

2232. With regard to this footnote on page 193, under the head of "Extra remuneration," I see there is a Mr. Pulling who gets 420*l.* as editor of Statutory Rules under Sub-head A.; he also gets 393*l.* 15*s.*, under Vote 3, Class II., for preparing the Index to Statutory Rules and Orders; he also gets 1,300*l.* for services rendered in connection with the consolidation of Orders relating to county courts out of Vote 5, Class III. That is a very large salary for one man to get for what appears to be a comparatively small work?—That I need not say is not paid (except part of it) from the Stationery Office Vote, and I have no official cognisance of it.

2233. You pay only the 420*l.*?—We pay the 420*l.*

2234. Does this man do all this work himself?—I think perhaps Sir Edward Hamilton would be able to say more about that than I could. I have no official cognisance of it. I think it covers the payment of clerks whom he employs.

2235. (To Sir E. W. Hamilton) Can you tell us anything about this point?—This payment of 1,300*l.* represents work extending over 4½ years, I think.

2236. Is not this a sum that he gets regularly 0.14.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class II.—Vote 23.—Stationery and Printing—
continued.

Mr. Goddard—continued.

every year?—No, that is what he is paid for the job.

2237. He does not pretend to do this work himself, does he?—That I do not know. I should have thought he would.

2238. When a man gets the salary of a Minister of State one has a little right to ask whether he does work commensurate with the money he gets?—Certainly, but if it is spread over 4½ years it could hardly amount to a Minister's salary.

2239. Not if that is the explanation of it?—That is the explanation.

2240. (To Mr. Pigott.) That is not the explanation of your item of 420*l.*, is it?—Ours is an annual salary for certain special duty, and if I may so I think it is very well earned.

2241. (To Sir E. W. Hamilton.) Can you tell us anything about what he gets for editing the Chronological Table and Index to the Statutes; is that in respect of 4½ years?—No, that is a yearly earning.

2242. Then apart from the 1,300*l.* he gets over 800*l.* a year?—Yes.

2243. (To Mr. Pigott.) Is he a barrister?—Yes, he is a barrister.

2244. Does he farm this work out to other people?—He does it himself, but I believe he has to get people to help him. It is rather more than he could quite get through himself.

Mr. Pym.

2245. (To Sir E. W. Hamilton.) As I understand, he get 800*l.* a year for his regular work?—Yes.

2246. That is to say divided between the Stationery Office work and the work he does for the Treasury?—Yes.

2247. In addition to that there is also this sum of 1,300*l.* out of Vote 5, Class III., for services rendered in connection with the consolidation of Orders relating to County Courts. Can you tell us how much work there is in connection with that each year?—No.

2248. Is that work continuous?—No, it is finished now.

2249. For how many years was he engaged upon that work?—For 4½ years.

2250. What was the rate you proposed to pay him when he undertook that duty?—I do not know what the original arrangement was. I know the actual payment was made after consultation with the Lord Chancellor as to what would be the proper remuneration to give a man of his standing at the bar.

2251. Was that after the work was finished or previous to its commencement?—I do not know.

2252. When was the final amount settled which he was to receive from this work?—In 1899, I think.

2253. When was the work completed?—In that year.

x 2

2254. Is

26 June 1901.]

Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND,

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 23.—Stationery and Printing—
*continued.**Mr. Goddard.*

2254. Is he a practising barrister?—I believe he is.

2255. Then he earns money elsewhere?—He is not a salaried officer.

[Mr. Pigott withdrew.]

CLASS III.

LAW AND JUSTICE.

ON VOTE 1.

LAW CHARGES, ENGLAND.

Mr. Goddard.

2256. (To Sir E. W. Hamilton.) I observe in regard to Item J. "Parliamentary Agency" a grant was made of 800*l.* and the expenditure only amounts to 79*l.* 1*s.*, that is to say, one-tenth of the amount that was voted. Can you give us any explanation as to that?—The explanation is that the work varies very much from year to year; it is a service for which it is very difficult to estimate exactly.

2257. Is there no means of more accurately estimating what you are going to spend?—I have got the figures for the three years previously, and I see in one year it was 934*l.* In the next year it was 810*l.*, and in the third year 439*l.* As the Honourable Member will see, it is a difficult service to estimate for.

Sir Brampton Gurdon.

2258. With regard to the Law Officers' fees for contentious business, which are set out at page 248, amounting to nearly 12,000*l.* in the case of the Attorney General and 5,000*l.* for the Solicitor General, they come out under the different sub-heads, I suppose, B., C., and F.?—Yes, they come out under different sub-heads, B., C., E., and F., I think.

Mr. Cohen.

2259. Those fees are in addition to their salaries, are they not?—Yes.

Mr. Herbert Lewis.

2260. How do the Treasury view the constant progressive increase, and very large increase from year to year, in the amount paid to the Attorney General and Solicitor General?—I think that is hardly a question for me to answer; it is rather a question of policy.

2261. My reason for putting the question is that the Treasury revises the fees, they come under the notice of the Treasury, and the Chancellor of the Exchequer made a statement to that effect in the House of Commons a short time ago; and seeing that the fees have gradually mounted from 16,000*l.* to 29,000*l.* a year, I wish to know what view the Treasury take of this constantly increasing expenditure under this particular head?—I may mention there is a

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class III.—Vote 1.—Law Charges, England—
*continued.**Mr. Herbert Lewis—continued.*

special reason why in the last two years the fees were very high, namely, that there was the Venezuela Boundary Arbitration which made a very material difference—but as to the general question which the honourable Member raises, I think it is rather a question of policy, than of account.

Chairman.] I do not think it is a question for the Public Accounts Committee.

ON VOTE 2.

MISCELLANEOUS LEGAL EXPENSES.

Mr. Goddard.

2262. (To Sir E. W. Hamilton.) I observe there is a sum of 21,100*l.* taken under Item A., "Repayments to Sheriffs," upon which there is an excess expenditure of 239*l.*, which is explained to be due to the holding of an adjourned Winter Assize for one of the counties. What I want to ask is this: This item is constantly growing, and during five years it has increased from 14,000*l.* to 22,000*l.*; how is this money accounted for. Does it in any way come under the examination of the Comptroller and Auditor General?—I am afraid I cannot answer that question. (Mr. Richmond.) It is all subject to audit.

2263. Do you audit it?—Certainly.

2264. It all comes under your audit?—Yes, it all comes under audit.

ON VOTE 3.

SUPREME COURT OF JUDICATURE.

Chairman.

2265. (To Sir E. W. Hamilton.) As regards Sub-head K. 1., "Commissioners of Assize," upon which there was an expenditure of 1,575*l.*, I think that was a case in which there were three Commissioners of Assize appointed at the request of the Lord Chancellor to act for a judge. I think they get a 500 guinea fee, do they not?—That is the case.

2266. That was probably unforeseen?—Yes.

Mr. Goddard.

2267. I do not know whether the question of the extraordinary differences in the pay of these District Registrars of the High Court is a question which comes under the purview of the Committee, and whether the Treasury could answer with regard to it. I see, for instance, Birmingham requires two of these officers at 650*l.*, while Newcastle-on-Tyne has one at 300*l.*, and there are several other cases like that. Perhaps I might ask have the Treasury had anything to do with the fixing of those salaries?—I think the Lord Chancellor has most to do with the fixing

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Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class III.—Vote 3.—Supreme Court of Judicature—*continued.**Mr. Goddard*—continued.

fixing of the salaries; they are submitted to the Treasury, no doubt.

Chairman.] I do not think we can discuss the question of the actual amount of the salaries.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class III.—Vote 3.—Supreme Court of Judicature—*continued.**Mr. Cohen.*

2268. Are these salaries or are they fees?—They are both.

2269. They are appointed for more than a year?—Yes.

On VOTE 4.

No questions.

On VOTE 5.

COUNTY COURTS.

Mr. B. J. BRIDGEMAN called in; and Examined.

Chairman.

2270. I WANT to draw your attention to the Comptroller and Auditor General's remarks in regard to Sub-head of this vote. You will observe there have been considerable deficiencies for some years past in the accounts of the Registrars?—Yes.

2271. Has that all now been cleared up, and is this sum taken in this vote to make up those deficiencies?—That is so.

2272. Then in future these accounts, which are not audited by the Comptroller and Auditor General, will be audited by the Treasury, will they not?—They are audited by the Treasury; by the Examiners of the County Court Department.

2273. There were deficiencies for which various reasons mentioned here are given, namely, bank failures, insolvency, fraud and robbery, and also it appears that the Registrars took over the accounts without ascertaining that there were deficiencies in the balances taken over from their predecessors?—That is so.

2274. In future it will be all audited by the Treasury?—It will be audited by the Treasury.

Sir Robert Mowbray.

2275. What change in the system has been made which makes you think the audit will be more efficient in the future?—The audit formerly was in the hands of the treasurers. The treasurers were not officers of the County Court Department; they were appointed by the Treasury under the County Courts Act. The accounts are now audited by examiners who form part of the staff of the County Court Department under the supervision of the Superintendent; they therefore are in touch with the Treasury, they are under the control of the superintendent. I do not think there is any question that in future these accounts will be audited very closely, and quarterly statements will be rendered to the department which will be seen by the Superintendent himself, so that if any deficiency should arise it must come before the department at once.

Sir Robert Mowbray—continued.

2276. In fact, as I understand, hitherto the accounts have been audited but not audited so directly under the Treasury as they will be in future?—Quite so.

2277. For how long have these deficiencies been accumulating?—They have been accumulating for a period of somewhere about 40 years, I think.

2278. How is it that they have now been brought to a head in one particular year? Has the change in the system arisen from the discovery of the deficiencies?—No, the change is not due to that at all. The change is by a provision of the County Courts Act, that provision being that in the event of a vacancy in the office of treasurer it should not be filled up, but the duties should be gradually taken over by the Superintendent of the County Courts Department.

2279. How is it that these deficiencies (in spite of audit) had gone on accumulating for 40 years?—I do not know that that is quite capable of explanation—at any rate I am not in a position to explain it.

Chairman.

2280. (To Mr. Richmond.) They were discovered by the Comptroller and Auditor General, were they not?—Inquiries by the Comptroller and Auditor General led to the discovery of some deficiencies in the accounts of the Superintendent, amounting to some 400*l.* or so. In consequence of those inquiries the Treasury undertook a more complete inquiry into the whole matter, because, as has been already mentioned, the Registrars' accounts are not audited in my department. The result of that inquiry by the Treasury was to bring to light these further deficiencies in the accounts of the Registrars. The origin of the matter, I believe I am right in saying, was some inquiries by a predecessor of mine in respect of the Superintendent's own accounts; but the larger defalcations were discovered subsequently by the Treasury inquiry.

2281. You

26 June 1901.] Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and Mr. BRIDGEMAN. [Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class III.—Vote 5.—County Courts—
continued.

Sir Robert Mowbray.

2281. You have been in the habit of auditing the Superintendent's accounts?—Yes, accepting the Treasury certificates for the Registrars' accounts.

Mr. Pym.

2282. In your Report you use the word "deficiencies"—you now speak of "defalcations,"—are the whole of these deficiencies the result of defalcations?—I should rather say with regard to the 400*l.* which is mentioned in this paragraph, that was due to the defalcations of two high bailiffs. But the subsequent deficiencies discovered by the Treasury are explained more fully here as arising from various causes.

Mr. Goddard.

2283. (To Sir E. W. Hamilton.) Could not the reports on these accounts of the Treasury officers be appended to the Explanations of the Votes in the Appropriation Accounts?—I see no objection to having them appended.

2284. It always seems to leave something wanting if we do not have that explanation given here?—I could give the honourable Member a paper giving him more details as to how the sum is made up if he desires it.

2285. I do not particularly want to know it personally, but if the explanation was in the account it would perhaps avoid a good deal of difficulty in future?—I see no objection to that being done.

Mr. Banbury.

2286. (To Mr. Bridgeman.) I see it is mentioned here that the losses were attributed to "fraud" and "robbery"; have any steps been taken to punish the people who committed the frauds and robbery?—In some cases.

2287. Why not in others?—In some cases there is no record in the department. Some of these cases are very old. In the case of Liverpool, which is the largest item, 600*l.*, there is no record at all in the department as to whether there was a prosecution or not. But there is a record that the Registrar himself was sued, and so also were his sureties, but nothing could be recovered.

Mr. Herbert Lewis.

2288. Are these balances irrecoverable?—They are irrecoverable.

Mr. Brodie Hoare.

2289. You think the precautions which are now taken will prevent the recurrence of this in future?—I quite think so.

[Mr. Bridgeman withdrew.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

VOTE 7.

Postponed.

On VOTE 9.

BROADMOOR CRIMINAL LUNATIC ASYLUM.

Chairman.

2290. (To Sir E. W. Hamilton.) I observe with reference to Broadmoor Criminal Lunatic Asylum, under Sub-head P., in regard to the farm and garden, no grant was made, but it ended in a loss to the Asylum of 691*l.*, and the explanation given is that it was due to its being a very bad year—but surely it is no use going on with a farm and garden which gets into difficulties like that?—I think they must go on with the farm. It affords employment for the inmates of the Lunatic Asylum. I do not think they could stop the farm. But if it results in a loss, as in this case, it will be shown clearly upon the accounts by a write-off.

Sir Brampton Gurdon.

2291. (To Mr. Richmond.) Do you know what the acreage of the farm is?—I cannot say with any accuracy; it is some hundreds of acres, I believe.

Mr. Pym.

2292. (To Sir E. W. Hamilton.) You said this farm must be kept going for the purpose of giving employment to the prisoners?—Yes.

2293. The failure in this case is explained as being partly in consequence of severe drought. Surely if you are obliged to keep the farm going for the purpose of giving employment, you might as well give employment to these prisoners in irrigation work, and so get water to meet the drought?—That has nothing to do with the Treasury; that is rather a matter for the superintendent of the Lunatic Asylum.

Chairman.

2294. I observe the Comptroller and Auditor General says that "Certain proposals in regard to the future which have been put forward by the Council are understood to be under the consideration of the Treasury." Can you tell us whether anything has been settled about that?—There have been some regulations laid down with regard to the farm and garden.

Mr. Pym.

2295. In answer to the last question, you said you were not responsible for the loss on the garden and farm, but I should like to know who is responsible for this loss?—The superintendent.

2296. Who is the superintendent under?—The Home Office.

Mr. Goddard.

2297. But the Treasury is responsible to the House of Commons, is it not?—Not for the expenditure of this vote.

2298. Who

26 June 1900.]

Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1890-1900.Class III.—Vote 9.—Broadmoor Criminal
Lunatic Asylum—*continued*.*Sir Robert Mowbray.*

2298. Who presents the Estimate to the House of Commons; does the Secretary for the Treasury move it in the House of Commons?—No, I think the Home Office.

2299. Somebody must be responsible for the Estimate who could give us evidence about it?—I may mention that the farm account shows an unusual state of things in this particular year, because there has been a profit for the last six or seven years previously.

Mr. Herbert Lewis.

2300. Was the loss in this year owing to swine fever?—I think it was due to the drought principally, but also to the slaughter of pigs.

Sir Brampton Gurdon.

2301. (To Mr. Richmond.) Could you tell me what the photographic room is required for?—I suppose it is to enable them to keep a record of the lunatics.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

On VOTE 10.

LAW CHARGES AND COURTS OF LAW, SCOTLAND.

Sir Brampton Gurdon.

2302. (To Sir E. Hamilton.) Do not the Lord Advocate and the Solicitor General for Scotland get any fees for contentious work?—There are no fees.

2303. Is the contentious work which they do covered by their salary?—Yes.

On VOTE 11.

No questions.

On VOTE 12.

CROFTERS' COMMISSION.

Chairman.

2304. (To Sir E. W. Hamilton.) Does the Crofters' Commission go on for ever? Is there no limit to this 5,000*l.* a year?—I am not sure, but I do not think there is any limit of time in the Act of Parliament.

CLASS IV.

EDUCATION, SCIENCE AND ART.

On VOTE 1.

PUBLIC EDUCATION, ENGLAND AND WALES.

Sir GEORGE WILLIAM KEKEWICH, K.C.B., called in; and Examined.

Sir Brampton Gurdon.

2305. I wish to ask you a question about the paragraph at the bottom of page 336 which is headed "Extra Remuneration." I do not see any objection to the junior examiners receiving the small sums mentioned there, but it seems to me that the sum paid to one of the senior examiners is rather high; is not 304*l.* a rather unusual extra remuneration to a highly paid officer for editing the register of the Privy Council?—That is not a payment out of our vote but out of the Privy Council Vote.

2306. But do you think your senior examiners ought to have the time, considering the salaries they receive and the important work they are doing, to take up additional work for which they are paid more than 300*l.* a year?—I think that depends upon what kind of work it is. I may say that the register of the Privy Council, so far as I have had the honour of seeing it, is in Old English, and it is very skilled work.

2307. But how can a senior examiner do that work and do justice to his own work besides?—I suppose he does this work in the evening, and if it is skilled work his work in the evening might be worth the money.

Chairman.

2308. I want to ask with regard to Sub-

Chairman—continued.

head F., "Annual Grants for Day Scholars," upon which there is an excess. The explanation on page 336 says that "This excess is caused by a small increase in the average attendance beyond the Estimate, and an increase of one penny in the rate of grant earned." Is that taken upon some average?—That means an increase of a penny per scholar in the rate of grant earned, and it really means that the schools are more efficient than it was expected they would be.

2309. You find they have earned a penny per head more on the average?—That is so.

2310. Then with regard to Sub-head G., upon which there is a saving, the explanation says that "This saving is due to a falling-off in the average attendance at Evening Continuation Schools and to a reduction in the rate of grant per scholar." Does that also mean that there is an average fall of some small sum?—Yes.

2311. That is on account of a falling-off in the attendance, I suppose?—Yes, it would be because the grant is paid on the attendance.

Sir Robert Mowbray.

2312. Is it the attendance or the efficiency that has fallen off?—I think they have made less hours attendance.

2313. Is the increase under Sub-head F due to increase

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Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Sir G. W. KEKEWICH, K.C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class IV.—Vote 1.—Public Education, England
and Wales—*continued*.Sir Robert Mowbray—*continued*.

increase in efficiency or to increase in hours?—
The increase in Sub-head F would be due to in-
creased efficiency in the day schools.

2314. So that the two things do not corre-
spond?—No, they have not up to the present
time.

Mr. Pym.

2315. I see it is stated in the explanation in
regard to Sub-head F that "This excess is caused
by a small increase in the average attendance,"
not an increase in efficiency?—Yes. The question
I was asked was with regard to the increase of a
penny in the rate of grant earned as I under-
stood. The Report says: "This excess is caused
by a small increase in the average attendance."

2316. Not efficiency?—"And an increase of a
penny in the rate of grant earned." The increase
in the rate of grant earned means efficiency.

2317. It is two things?—Yes, there are two
things.

On VOTE 2.

DEPARTMENT OF SCIENCE AND ART FOR THE
UNITED KINGDOM.

Mr. Goddard.

2318. I do not quite understand what is meant
in this vote by "grant in aid" which appears
under several items. I wish to call attention to
Sub-head D and the three items 7, 8 and 9, in
which you will see in brackets the amounts are
called "grants in aid." I understand what a
grant in aid as an outside organisation is, but
surely this is money that is expended by the
same people who expend all the rest of the vote?
—I think that question might perhaps be more
properly addressed to the representative of the
Treasury as to the distinction between grants in
aid and other grants; but I understand the
technical advantage of a grant in aid to a
department is that if a sum is given as a grant
in aid the balance can be carried over from one
financial year to another and need not be sur-
rendered. That is the practical advantage to the
department.

2319. (To Sir E. W. Hamilton). May I ask
you this question about these grants in aid. Is
it the fact that these grants in aid can be ex-
pended without having to be vouched and

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class IV.—Vote 2.—Department of Science and
Art for the United Kingdom—*continued*.Mr. Goddard—*continued*.

explained?—The advantage of a grant in aid, as
has been explained, is that it has not to be sur-
rendered, but is carried over to the next year.

2320. Then you do not have to get it
vouched?—Except in the aggregate.

2321. You do not explain it in detail?—Not
necessarily.

2322. That is one reason why they call it a
grant in aid?—That is the technical distinction

Sir Brampton Gurdon.

2323. Is not the principal reason why you
establish these grants, in order to prevent these
local museums, for instance, from buying rubbish
at the end of the year in order to expend the
whole of the money within the year?—That is a
practical advantage applicable to cases of this
kind.

Mr. Goddard.

2324. (To Sir George Kekewich.) I want to ask
one other question with regard to some items on
page 346. There are several cases there of extra
remuneration to officers and professors; who is
responsible for those and who decides the
amount of extra remuneration. I observe, for
instance, there is the case of a Professor of
Mechanics and Mathematics of the Royal College
of Science, London, who gets 63*l.* a year for
"Writing a pamphlet on practical mathematics
for use of schools"?—I am not familiar with the
details of the different excesses; but as I
understand as regards the item which you
mention, "Writing a pamphlet on practical
mathematics for use of schools," the practice
would be that the expenditure was authorised
by the Vice President; that is in accordance
with the Treasury Regulation. The clerk in
charge of the accounts at South Kensington
is here, and he will be able to explain any details
with regard to these matters which occurred
before I was secretary.

2325. Is not this the kind of work that is done
by the publishers of school books in the ordinary
way. It is rather unusual to come to officials of
this department and pay them extra remunera-
tion for writing a book of this kind, is it not?—
I should have thought it was in the case of a
book of this kind.

[Sir George Kekewich withdrew.]

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Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

On VOTE 10.

PUBLIC EDUCATION, SCOTLAND.

Sir HENRY CRAIK, K.C.B., called in; and Examined.

Chairman.

2326. I OBSERVE that under Sub-head O. has been included a grant of 115*l.* to Dumfries Academy. I gather that there was something of a mistake there. This Dumfries Academy was really a "Higher Class School," but it having followed the curriculum laid down by the Code, as it was allowed to do, it was debarred by the Elementary Education Act of 1872 from receiving a grant under Sub-head E.—It was hardly a mistake. We proposed to aid at first all those schools outside of the Code. Both the "Higher Class Schools" and the schools actually under the Code were in receipt of grants from the Science and Art

Chairman—continued.

Department, and we proposed to aid them all on one footing. Afterwards for permanent administration we brought it all under the Code, but Dumfries Academy, being a "Higher Class School," was not eligible to share in the grants under the Code—therefore a special exception was made in their favour to recoup them for what they had lost. They might have come under the ordinary Science and Art rules, and not under our Higher Grade rules. We put the circumstances before the Treasury and obtained their assent to a special grant being made.

[Sir Henry Craik withdrew.]

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

On VOTE 5.

FOREIGN OFFICE.

Mr. W. C. CARTWRIGHT, called in; and Examined.

Chairman.

2327. WITH regard to Sub-head C. I observe that there are two officers who were Queen's Messengers who were employed in South Africa for a portion of the year now under review. Are they taken off this vote altogether and charged in the War Office vote?—Yes, they are not paid any salary as long as they are in South Africa. When they return I believe they have the right to get a portion of that salary which has not been used to fill up their place.

2328. A part of their salary is retained for them?—Yes.

2329. In addition to their Army pay?—Yes, provided they do not receive altogether more than they would have received at home.

2330. In Paragraph 1 in his report on this vote the Comptroller and Auditor General refers to the retention of a Queen's Foreign Service Messenger, who appears to have been kept on till the age of 76 when he ought to have been retired, apparently under the Order in Council of 1898?—He was retired under the Order in Council of 1898. He ought to have been retired perhaps under the Order in Council of 1890.

2331. Will you explain why he was kept on?—It is rather difficult to say at this distance of time. A great many questions arose on that Order in Council. It was decided, for instance, that the Diplomatic and Consular Service did not come under that Order in Council. This question as to the Queen's Foreign Service Mes-

Chairman—continued.

sengers was discussed, but it was said to be a moot point, and I fancy it was never finally decided; in fact we were told it was not necessary to raise the question as to whether they should come within the Diplomatic Service or in what category they should be considered to come.

2332. Is it settled now?—Yes, they now retire at the age of 65 under the Order in Council of 1898.

2333. (To Sir E. W. Hamilton.) Are there any class of officers retained over the age of 70 in the Civil Service?—Only in the Diplomatic Service.

2334. Are not even ambassadors retired at the age of 70?—Not necessarily so, I believe. There is an ambassador at the present moment over the age of 70, I believe. (Mr. Cartwright.) That is so. (Sir E. W. Hamilton.) It was held that the Diplomatic Service did not come under the Order in Council.

2335. But now you do not hold, as I understand, that Queen's Foreign Service Messengers come under the head of the Diplomatic Service?—It was originally contended that they came under the Diplomatic Service, but it is settled now.

2336. At what age do they retire now?—At the age of 65, under the ordinary rule.

Sir Robert Mowbray.

2337. (To Mr. Richmond.) You are satisfied,

Y

are

26 June 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Mr. CARTWRIGHT.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 5.—Foreign Office—*continued.*Sir Robert Mowbray—*continued.*

are you?—I am quite satisfied as regards the arrangements for the future; this is a solitary instance, and I suppose it will not happen again.

Sir Brampton Gurdon.

2338. (To Mr. Cartwright.) As regards the general rule I suppose these Foreign Office Messengers would retire very early. It is not a sedentary occupation, and one would have supposed that a Foreign Office Messenger was the sort of person who would retire early?—It depends. This man was quite able to do the duties, although he was 75; he did his duties quite as well as anybody else.

Chairman.

2339. I believe you also answer for the vote for Diplomatic and Consular services?—Yes.

CLASS V.

ON VOTE 1.

DIPLOMATIC AND CONSULAR SERVICES.

Chairman.

2340. (To Mr. Cartwright.) Reference is made in the Report of the Comptroller and Auditor General upon this vote to the case of a student interpreter under Sub-head A.A. It appears that under the regulations the student interpreters have to enter into a bond of 300*l.* in order that they may be able to make them repay half of it if they do not continue their service for five years?—Yes.

2341. One student interpreter retired this year before completing his five years' service; has the sum of 150*l.* been recovered from him?—No. the reason of that was owing to the special circumstances at Pekin. During the siege of Pekin he behaved extremely well and was wounded; and he was let off making the repayment of it. Otherwise we had already applied to recover the bond.

2342. I want to ask also about the reduction of the judicial staff in Japan; the consular staff has become *functus officio*, has it not?—That is so as regards the judicial functions.

2343. For some time the salaries were paid, were they not?—Yes, during the winding up of the business of the Court.

2344. Has that come to an end now?—Yes, on the 30th June, last year.

2345. And they are struck off the vote?—Yes.

2346. In paragraph 9 of the report allusion is made to certain fees in Spain which were collected for the United States Government which fees appear to have been paid to the consular officers for the extra work entailed upon them, and the balance credited to appropriations in aid: will you explain to the Committee what was done in that case?—Our consular officers took charge of the United States interests in Spain during the

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class V.—Vote 1.—Diplomatic and Consular
Services—*continued.*Chairman—*continued.*

war, and therefore they levied fees upon the United States citizens in the same way as they would upon British subjects, and those fees are credited to the British Government.

2347. Why are they handed to us? Would not they go naturally to the United States after paying for the services of these officers?—No. I understand what was done was in accordance with the usual rule. We are doing it in another instance now. If a British consular officer does the service he charges the British fees and they are remitted to his Government.

Mr. Austen Chamberlain.

2348. These fees would, under normal circumstances, have formed the remuneration of the American consul?—I suppose so; but he had gone away.

2349. They would not have been paid to the American Government, but to the American consul?—That is a matter for them. I fancy the American consuls do take the fees themselves, that is to say, part of them, not the whole of them.

Chairman.

2350. What I do not understand is this. It is stated in the report that a sum of 2,726*l.* out of the 6,678*l.* "has been paid with Treasury sanction to the consular officers for the extra work entailed upon them." That one understands; but what becomes of the balance?—That goes into the British Exchequer.

2351. It is carried to the Appropriations in aid in this vote?—Yes.

2352. (To Sir E. W. Hamilton.) Is that by any previous arrangement.—I believe the rule is that the consuls are entitled to keep four-fifths of the fees when they do work of that kind. The remainder would be an appropriation in aid. (Mr. Cartwright.) I believe that is only as regards certain fees, namely, the fees in Part IV.

Sir Brampton Gurdon.

2353. (To Mr. Richmond.) I observe at page 410 there is an enormous list of places where expenditure has been incurred or fees received which goes on for I do not know how many pages. Is it necessary to print all that? It encumbers the book very much indeed?—I do not know that it is necessary. I believe it has been customary to print it for many years.

2354. My suggestion is that it should not be done another year if the Committee approve?—I shall be glad to take that point into consideration. I do not think it is necessary for my Department. I understand that it was inserted by the wish of the Committee some years ago and it has gone on ever since. Of course if the Committee

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Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Mr. CARTWRIGHT.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class V.—Vote 1.—Diplomatic and Consular
Services—*continued*.Sir Brampton Gurdon—*continued*.Committee think fit to dispense with it, it could
be omitted.

Mr. Austen Chamberlain.

2355. (To Sir E. W. Hamilton.) Do you wish

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class V.—Vote 1.—Diplomatic and Consular
Services—*continued*.Mr. Austen Chamberlain—*continued*.to make any observation on the proposal to omit
that detailed statement?—I should be quite
ready to strike it out altogether.

[Mr. Cartwright withdrew.]

CLASS III.

LAW AND JUSTICE.

On VOTE 7.

PRISONS, ENGLAND AND THE COLONIES.

Mr. RUGGLES-BRISE, C.B., called in; and Examined.

Chairman.

2356. In Sub-head M. "New Buildings and Alterations," I observe there is a very large under-expenditure of 10,000*l.*; can you give us the reasons why this large grant was taken and then (as appears from the Explanation) the work at Brixton Prison was not begun until nearly the end of the financial year?—A serious question arose in regard to the contract, there being a considerable disparity between the estimate made by our surveyor and the lowest tender, and the matter had to be referred to the Treasury. That led to a long correspondence and it delayed the commencement of the work till a few weeks before the end of the financial year.

2357. That, of course, could not be anticipated?—It is quite accidental.

2358. With regard to Sub-head U., I think it is under that head that the work done in the prisons is taken, under "Appropriations in Aid"?—Yes.

2359. I observe the "Appropriations in Aid;" they were estimated to produce 13,000*l.*, and really produced 22,000*l.*?—That is so.

2360. There was, therefore, a very considerable discrepancy as to that. Now that you know better how much work can be done in the prisons, would it not be as well to estimate for a much higher amount to be realised?—Yes; I may say for 1900 we did estimate higher. We took 14,500*l.*, and I think the receipts are 17,000*l.* There is still a difference, but it is only 2,000*l.* or 3,000*l.* But it is dangerous to estimate it too closely, because so many accidental circumstances have to be taken into account. It is only an accidental difference between the payments and receipts. It depends, for instance, upon the orders or payments falling within the financial year. Supposing, for instance, a large bill was not paid before the end of the year, we might be seriously compromised.

2361. Do you mean that the results dropped 0.14.

Chairman—*continued*.

from 22,000*l.* to 17,000*l.* in one year?—Yes; I have not got the figure for this year out finally, but I think it is about 17,000*l.* This difference is only an accidental difference between the payments and receipts during the financial year; it has nothing to do with the profit and loss account for the year's operations.

Mr. Pym.

2362. Has it not a great deal to do with the amount of orders you get for articles which are made by the prisoners?—Largely. We depend very much upon the other public departments to supply us with orders.

2363. You get those orders from other public departments, do you?—Yes.

2364. Do you get them chiefly from them?—I should think about 50 per cent.

2365. Where do the rest of the orders come from?—From our own prison service. I should think there would be nearly as much as 40 per cent. or 30 per cent., and the rest would be small things from outside sales.

2366. From private orders?—Yes; we do very little of that, it is only a fractional item of the year's work.

2367. The work is principally done for the supply of other Government Departments and your own?—Yes.

2368. Surely you ought to be able to prepare a pretty close estimate of the amount of the orders you will get in the course of the year?—We do not know what orders the Post Office or the War Office, for instance, are going to give us.

2369. Could not you tell approximately; you get so much in orders from the Post Office or the War Office in one year, surely you would be able to estimate more closely what you get another year from them?—Not always; the war in South Africa, for instance, affected our orders from the War Office.

Y 2

2370. That

26 June 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Mr. RUGGLES-BRISE, C.B.

[Continued]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class III.—Vote 7.—Prisons, England and the
Colonies—*continued*.Mr. Pym—*continued*.

2370. That would increase them?—That would increase them.

2371. That would be a very exceptional case?—There are always exceptional cases of that sort arising: some outside firms might come in and do the work cheaper than we do. There is no certainty about it.

2372. Then you cannot depend upon the other Government Departments for supplying you with orders?—No, they might all leave us tomorrow if they could get the work cheaper and better done elsewhere.

2373. Have you had any case in any year of a sudden withdrawal of their orders?—I cannot remember one, but I am always aware it is liable to arise.

2374. So that you do not see how it would be possible to make an estimate nearer the amount than you put it at the present time?—I think our estimate for last year is as near as we can get. I think it is not a bad estimate considering all the contingencies. It is a difference of only 2,000*l.* or 3,000*l.* We have been gradually increasing of late years, and as we feel our feet and get to know better where we are, we shall be able to get a closer estimate.

2375. Do you mean that you have been increasing the amount of work done?—Yes.

Sir Brampton Gurdon.

2376. I observe at page 271 in the explanation in regard to Sub-head F. mention is made of "providing altar furniture." That is in Roman

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class III.—Vote 7.—Prisons, England and the
Colonies—*continued*.Sir Brampton Gurdon—*continued*.

Catholic Chapels I suppose?—It might also be in Protestant Chapels, I think.

2377. You do not find the word "altar" in the Prayer Book. What do you want altar furniture for in a Protestant Chapel?—It is money spent in regard to altars in Protestant Chapels as well as in the Roman Catholic Chapels.

2378. What do you mean by the "altar"?—This would be providing an altar cloth, for instance, I take it.

2379. You mean the Communion Table cloth?—Yes, it would be providing necessities for the Communion Table generally.

Chairman.

2380. I observe in regard to Sub-head N., the explanation of the excess is "due to the age of some of the prisons and to frequent changes of quarters amongst the superior officers." Is that not an excess that should have been foreseen when the Estimate was compiled. You know of these changes beforehand, do you not?—I cannot anticipate them very accurately. For instance, there might be a severe tempest of wind, or something of that kind, which might remove the roof from an old prison; we cannot anticipate that.

2381. But you do not mean that the changes of quarters occur from such causes as that?—No, I was referring to the first part of the explanations as to the age of the prisons.

[Mr. Ruggles-Brise withdrew.]

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

ON VOTE 6.

COLONIAL OFFICE.

Mr. A. H. H. ENGELBACH, called in; and Examined.

Sir Brampton Gurdon.

2382. UNDER Sub-head B. I observe that there is a charge for a telegram sent on behalf of a private individual to South Africa which has not been recovered. If a private individual wishes to send a telegram through you, he undertaking to bear all the expenses, do you not take a deposit from him?—No; we get the money back when we know exactly what the charge will be for the telegram.

2383. But you did not get the money back in this case; that is the point. The explanation given on page 139 is "A charge of 6*l.* 2*s.* 6*d.* for a telegram sent to South Africa in March 1898,Sir Brampton Gurdon—*continued*.

on behalf of a private individual, who undertook to bear all expenses, has been admitted against the vote for the subsequent year, as it has not been found possible to recover the same"?—In the case in question the man could not be found, so we could not get the money.

2384. Would it not be better in all these cases where you are required to do this service for an individual to demand a deposit?—It has never been suggested before. As a rule they are people of some standing who want telegrams sent for them.

2385. That

26 June 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Mr. ENGELBACH.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 6.—Colonial Office—*continued.*Sir Brumpton Gurdon—*continued.*

2385. That does not make it any better, does it?—The charges are generally very small.

2386. £. 6 2s. 6d. is a good deal to get out of the public for nothing?—Yes, I admit that. This was one of those exceptional cases where the man turned out to be apparently unable to pay and could not be got at.

2387. But as there are such people about it would be better in future to insist upon a deposit in such cases, would it not. Perhaps that will be considered?—This was quite an exceptional case, but the point will be considered.

Mr. Pym

2388. Was this somebody outside the office altogether?—I think he was.

2389. Did he come to the Colonial Office about some business?—Yes; but I cannot remember now who it was in this case.

2390. How did it come about that you undertook to send out a telegram to South Africa for an individual outside the Colonial Office. If a man came to you from outside and asked you to send a telegram to South Africa, would you do so?—If the request could be entertained and payment were considered secure.

2391. Would he be a soldier or a sailor or an officer of any sort outside the office, or simply a stranger?—He might be a stranger if you come to that, I suppose. I do not remember any cases of an utter outsider asking for such a thing to be done. It has been a very usual thing for someone in authority to say, "So and so wants a telegram sent," and it is considered that it might fairly go through the office at the Government rate (which is somewhat cheaper) as long as he paid for it.

2392. But you do not require him to pay for it at the moment?—Not at the moment. We never like as a rule receiving the money at the moment, for this reason, that we do not know exactly what the telegram would cost, and if a wrong amount is paid it causes a little extra complication and trouble.

2393. Do I understand from what you say that somebody entirely outside the office, who has nothing to do officially with the Colonial Office, came to you and asked you to send a telegram for him to South Africa, and consequently you are doing him a favour which he has no right to ask you to do in sending that telegram; is not that correct?—I do not like to answer as to this particular case, because I have not looked up the circumstances, and I do not remember who the individual was exactly.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 6.—Colonial Office—*continued.*Mr. Pym—*continued.*

2394. Do you do it for other people besides this particular case—is it the custom of the Colonial Office to send telegrams for people outside the office?—We deprecate it.

2395. But do you do it?—We do so occasionally—it has been the practice to do so occasionally,—only I am unable to remember exactly the circumstances of this particular case. If I had known I was going to be asked about the Colonial Office Vote (Vote 6) I would have looked it up. I thought it was only as to the Colonial Services Vote that I was to be called.

2396. If I came to the office, not as a Member of Parliament, but as a person interested in South Africa, if I was known to somebody in the Colonial Office, and I wanted you to send a telegram for me to South Africa, and asked you to send it for me, would you do it?—Personally, I should only do it on the authority of somebody high up in the office.

2397. And would they give the authority?—They might or might not.

2398. Has it been the custom for the Colonial Office as an act of kindness to send telegrams in this way to South Africa?—On certain occasions so long as we are going to have the money repaid us.

2399. That would be the only condition?—It was not done gratis.

2400. I quite understand that, but I want to understand the principle upon which you act. If you were sure of the money you would have no objection to sending the telegram?—I think not.

Mr. Austen Chamberlain.

2401. Do you mean to say that provided you were certain of the money and that the sender of the telegram was known to you you would send any kind of telegram?—Oh, no.

2402. I thought I must have misunderstood you. I presume the messages you would send would be limited to cases in which there was some reason why the man should have come to the Colonial Office and asked them to send a telegram to South Africa, such as that he wished to inquire about a Colonial officer out there?—Exactly.

2403. Or that the person to whom the telegram was sent was in the employment of the Colonial Office?—That is that the person in respect of whom the telegram was sent was in employment under the Colonial Office.

[The Witnesses withdrew.]

Wednesday, 3rd July 1901.

MEMBERS PRESENT :

Mr. Baldwin.
Mr. Banbury.
Mr. Austen Chamberlain.
Mr. Cohen.
Mr. Cameron Corbett.
Mr. Goddard.

Sir Brampton Gurdon.
Sir Arthur Hayter.
Mr. Herbert Lewis.
Sir Robert Mowbray.
Mr. Pym.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Sir EDWARD W. HAMILTON, K.C.B., and Mr. DOUGLAS CLOSE RICHMOND, called in;
and Examined.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1899-1900.

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

On Postponed VOTE 24.

OFFICE OF WOODS, FORESTS, AND LAND REVENUES, &c.

ABSTRACT ACCOUNTS, 1899-1900.

WOODS, FORESTS, AND LAND REVENUES.

Mr. FREDERICK HELLARD and Mr. CHARLES E. HOWLETT, called in; and Examined.

Chairman.

2404. (To Mr. Hellard and Mr. Howlett.) You represent the Commissioners of Woods and Forests, I believe?—Yes.

2405. You will observe in the Abstract Accounts of the Woods and Forests Department there is a sum of 80,480*l.* for the sales of estates, and for purchases of estates 205,832*l.* Will you explain to us where those sales and purchases take place. Is there any general system, or would it be all over the kingdom where properties are sold?—The sales of estates are generally outlying property or property which is acquired for special purposes such as railways or anything that contain compulsory powers. The purchases, of course, are generally made for the purpose of investment.

2406. With regard to investments, may I ask do you specially invest in ground rents in London or in any particular class of property?—We have very largely invested in ground rents, but not exclusively. I think the details are all set out in the account.

Chairman—continued.

2407. At what page are they shown?—It is shown on page 139 of the Commissioners of Woods Report.

2408. That Report we have not got before us, but there was no special purchase of ground rents, was there?—Out of the 205,000*l.* there was 186,000*l.* invested in ground rents.

2409. In London?—In London.

2410. Your reasons for investing in them, I suppose, would be the easy way of collecting them and the little trouble they give in management?—Yes.

2411. Are those the principal reasons?—Yes.

2412. I observe that this year and the year before the amounts received in rents and arrears are pretty much the same, but as there is a great discrepancy between what you have bought this year and what you have sold, that is to say a very large margin in favor of purchases, I suppose the rentals will considerably increase next year?—The rental is increasing annually.

2413. (To

3 July 1901.] Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, Mr. HELLARD, and [Continued.
Mr. HOWLETT.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class II.—Vote 24.—Office of Woods, Forests,
and Land Revenues, &c.—*continued.*

Mr. Herbert Lewis.

2413. (To Mr. Howlett.) With regard to the purchase of the Abbots Wood estate amounting to 8,800*l.*, could you tell me what the object of that purchase was. I presume it was in pursuance of the policy of purchasing adjacent estates to the existing Crown property?—Partly; it is as a matter of fact between two portions of forests which belong to the Crown. We bought it mainly for the timber upon the estate; though there is a mansion house on it, it is really hardly worthy of the name, and the mansion house was practically thrown in.

2414. Was it bought with the intention of afforesting any portion of the land?—Yes, of cultivating timber and felling it.

2415. Perhaps you would tell us whether the Commissioners of Woods and Forests have the power to purchase lands for the purpose of afforesting?—I take it they have the right to purchase property and to use it in such manner as they think proper subject to the Treasury sanction.

2416. With regard to the sales of small yearly rents, a number of which are only a penny each and others a few pence, who bore the cost of the conveyances in those cases?—No charge was made; are you referring to the cases mentioned on page 25 of the Report.

2417. Yes. Was it necessary to stamp them?—No. All deeds that are executed by the Commissioners of Woods and Forests are free from stamping.

2418. Those small rents were sold, I presume, in order to get rid of a number of small charges which were not worth the trouble of collecting?—That is so.

2419. I notice that a number of unimprovable rents in Ireland have been sold at a value of over 15,000*l.* Is it the policy of the Commissioners of Woods and Forests to sell those unimprovable rents?—Yes, it is their policy to sell whenever the owner of the land for which they are payable applies to buy them.

2420. By whom are those rents collected in Ireland?—By the Collectors of Inland Revenue.

2421. What do they charge for that?—Two per cent.

2422. The charge seems to be a small one. Is there any particular reason why, under those circumstances, the Crown should sell the land?—The majority of the sales are practically compulsory in connection with the Land Purchase Acts in Ireland. All outgoings of that description are compulsorily redeemed, and nine-tenths of the quit rents sold on that account are therefore really compulsory sales.

2423. (To Mr. Hellard.) How are quit rents collected in this country, are they collected by officials of the Woods and Forests?—They are collected by the Receivers of ordinary rents at the same rates.

2424. Is it the fact that a Select Committee recommended that the plan that had been

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class II.—Vote 24.—Office of Woods, Forests,
and Land Revenues, &c.—*continued.*

Mr. Herbert Lewis—*continued.*

adopted in Ireland should also be adopted here in regard to the collection of quit rents only by the Inland Revenue Officers?—I am not aware. (Mr. Howlett.) They made some suggestion that it should be considered whether that system might not with advantage be extended to other parts of the kingdom. (Mr. Hellard.) But the quit rents are of very small amount, they are spread over the whole kingdom, they do not amount to more than 1,100*l.* or 1,200*l.* a year.

2425. (To Mr. Howlett.) With regard to the sales of Crown property in Ireland and in this country, are such sales invariably made by open competition?—Oh, no.

2426. In some cases, I presume, the extent of the land to be sold is too small, to be made the subject of public competition?—Undoubtedly. We have a number of small encroachments of a few perches.

2427. (To Mr. Hellard.) But when the property is of any extent do you really advertise the property or sell it by public competition?—Really, as I said, the only sales that we effect are practically now where they are wanted for some special purposes, or where one gets an extra good offer for a small piece of property. The outlying properties are nearly all sold now.

2428. Take the case of a private individual who makes an application for the purchase of some property in which he may be interested, or which is adjacent to his property. Do the Commissioners of Woods and Forests under those circumstances give other people opportunities of purchasing the property if they should be disposed to give a higher price for it?—I really do not recall a case in England; if you could mention a particular case I might remember it.

2429. Do you know the case of the Drapers-town Railway in Ireland. That did not arise under the Woods and Forests Department, but I think under the Board of Works; and in consequence of the peculiar circumstances of the sale, the Board of Works in Ireland adopted a rule that no sale of public property at their disposal should be made, except by open competition. I presume no rule of that kind has been made in this country?—(Mr. Howlett.) No, no rule of that sort has been made.

2430. When a lease of the foreshore is granted, do you take care that, in accordance with the recommendation of the Select Committee of 1890, the interests and rights of the public and of the local authorities should be considered?—(Mr. Hellard.) I think so. Our leases are all, without exception, I think, determinable on very short notice—a month or three months.

2431. Do you always consult the local authorities when you dispose, by lease, of a portion of the foreshore to a private individual?—No, we do not in England. (Mr. Howlett.) As regards Wales, we very commonly do consult the local authorities, but I cannot go so far as to say that there

3 July 1901.] Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, Mr. HELLARD, and [Continued.
Mr. HOWLETT.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class II.—Vote 24.—Office of Woods, Forests,
and Land Revenues, &c.—*continued.*

Mr. Herbert Lewis—*continued.*

there is any absolute rule to do so; it depends upon circumstances.

2432. Then the recommendation of the Select Committee of 1890, in that respect, has not been carried out in every case?—I think it has been completely carried out, but there were instances which I could explain in detail, where it was quite unnecessary to write to the local authority, because we knew they did not want the fore-shore.

2433. Perhaps I might put one or two special cases to you, and you might be able to answer as to them. The Commissioners of Woods and Forests have never gone as far as the Board of Trade have done in this respect, because, as I understand, the Board of Trade invariably consult the local authority?—They invariably advertise the application, but they do not, I believe, necessarily communicate with the local authority. The local authority has an opportunity of seeing the advertisement.

2434. If the Board of Trade invariably advertise are there not the same sort of reasons why the Commissioners of Woods and Forests should advertise?—I am afraid I spoke rather too generally; I do not think the Board of Trade do advertise in every case, but as a general rule they do. There are cases of adverse claims, for instance, which I am informed that they would not advertise; it would be inadvisable to do so.

2435. Can you recall any recent case in which the Commissioners of Woods and Forests have either sold or leased property against the wishes of the local authority?—No, I cannot recall such a case.

2436. You do not remember any case of that sort. With regard to some of the leases of fore-shore which are mentioned in the Report for the year ending the 31st of March, 1900, let me put to you the case, on page 70, of the lease of a piece of land at Borthwynog. Was the local authority consulted in that particular instance?—No, they were not. That is a case of a small wharf which is, and always has been, let with the quarry. There is a small cottage there, it is really no use for any other purpose, it has always been let with the quarry.

2437. It was not considered necessary to communicate with the local authority in that case?—That is so.

2438. On page 73, under the head of "Merioneth," did you consider it necessary to consult the local authority in that case?—I am afraid I cannot give a positive answer to that question, but we had had a good deal of correspondence with the local authority there, and I think we had let to them all they wished for. I am speaking subject to correction, but I believe that to be the fact.

2439. Was there great dissatisfaction in that particular neighbourhood with regard to that lease? However, I will not press that question.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class II.—Vote 24.—Office of Woods, Forests,
and Land Revenues, &c.—*continued.*

Mr. Herbert Lewis—*continued.*

2440. Now with regard to minerals. I understand that the Crown owns the minerals under about 90,000 acres of enclosed land, chiefly in North Wales, and that it owns minerals under 198,000 acres as to which there are different rights of surface, but the mineral rights in which belong to the Crown, and in the same part of the country. May I ask whether the Department takes any steps to in any way develop this mineral property; does it do anything in the way of prospecting for minerals, or does it simply leave it to private individuals to apply to the Department for leases?—No doubt as a general rule it is left to private parties to apply for leases, but in the Isle of Alderney, for instance, Mr. Stafford Howard has practically developed that property by the steps which he has taken himself. He has built a pier and given encouragement to parties to work stone there.

Mr. Austen Chamberlain.

2441. When you speak of Mr. Stafford Howard, you mean he has so acted as representing the Commissioners of Woods and Forests?—Yes.

2442. Not as an individual?—No.

2443. It is the policy of the Commissioners?—Quite so.

Mr. Herbert Lewis.

2444. Has that question of the policy of the development of a very large mineral estate, which may in some part of it turn out to be a very valuable estate, ever been considered?—If you mean in the sense of the Crown working it itself, no. That has never been considered.

2445. I did not mean in the sense of the Crown working it itself, but taking such means as a private landowner would take in order to ascertain more definitely the value of the property?—We are often taking steps to try to get people to take up mineral leases.

2446. Now with regard to sporting rights, may I refer you to page 68 of the Report? I see there that sporting rights over about 1,295 acres were let for 10 years for 30*l.* 10*s.* per annum. Were those sporting rights advertised?—No, they were not advertised, they were re-let to the old tenants at an increase of rent, which was the amount at which the Crown Valuer valued the shooting. The tenant had considerably improved the shooting, and the Commissioner in such cases thinks it is hardly fair, if he can get what he believes to be the full value, to take it away from the old tenant and give it to somebody else.

2447. Then on page 70 I see, "Sporting over lands extending altogether to about 2,026 acres," was let at 5*l.* per annum. That seems to be a very small rent for a very large area of land?—That is so, but the answer is that the sporting is of very little value; there are very few birds.

2448. Was

3 July 1901.] Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, Mr. HELLARD, and [Continued.
Mr. HOWLETT.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class II.—Vote 24.—Office of Woods, Forests,
and Land Revenues, &c.—*continued.*

Mr. *Herbert Lewis*—*continued.*

2448. Was any step taken to advertise the property in that case?—It was not advertised, it was let by tender, and everybody whom we thought the least likely to offer was asked to make an offer. But only one offer was received, and that was from the gentleman who took it.

2449. (To Mr. *Hellard*.) Can you tell me what firms act as agents for the Woods and Forests Department in the management of their property?—May I ask in what part of the country you mean? They would differ in different places.

2450. How many agents are there altogether?—There are Messrs. Clutton, who act for the southern districts and the midland districts in England; Mr. Spencer Gore, who acts for the northern districts in England. I should except London. London is collected by a gentleman we call the Receiver General, who is on the staff in the London Office.

2451. Are they paid by salary, or by fees, or by a percentage, or how?—The Receiver General, that is the gentleman who collects in London, is paid by a salary which appears in the Votes; he is a salaried officer, that is all he gets, he does nothing but collecting rents. The country receivers are surveyors also; they are paid by a commission on the rents collected, and they are employed on works which may be carried out on property in their receivership, and if they are so employed they are paid the professional charges for the work according to the scale that is agreed.

2452. Have you any idea of how much has been paid by way of fees and poundage during the last few years?—During the last year I could give it to you. Messrs. Clutton, as receivers, received in the last year 2,772*l.* As surveyors for the works they carried out they received 1,481*l.* They were also employed to advise on some sales and purchases for which they received 75*l.* The total they received was 4,328*l.* Out of that, of course, they have to pay all their office expenses and their staff, whatever it is, and office accommodation and everything of that sort. We do not provide anything of that sort.

2453. Then as to the others, what is the case?—Mr. Spencer Gore received a total of 1,400*l.* That was 1,180*l.* as Receiver, and the rest was as surveyor. Then the Windsor rents are collected by the Deputy Surveyor of the Windsor Parks, and he receives a fixed salary.

2454. Do Messrs. Clutton and Mr. Spencer Gore act for the Ecclesiastical Commissioners as well?—They do, at least their firms do; I am not quite sure whether the same individuals act.

2455. (To Mr. *Howlett*.) May I ask whether any steps have been taken by the Woods and Forests Department to carry out the recommendation of the Select Committee on Forestry Education some years ago?—That is a matter

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CIVIL SERVICE APPROPRIATION ACCOUNTS
1899-1900.

Class II.—Vote 24.—Office of Woods, Forests,
and Land Revenues, &c.—*continued.*

Mr. *Herbert Lewis*—*continued.*

which really does not appertain to the office of Woods and Forests at all, it is a matter for the Government.

2456. (To Mr. *Hellard*.) There is just one more question I wish to raise upon the accounts, and it is this. I observe on page 5 of the Accounts a heading "Donations to Churches, Schools, &c."; may I ask whether the Commissioners are under any limitations as to the donations which they give to churches and schools, that is to say, are they restricted to any particular church or denomination at the present time?—No.

2457. There was until recently, as I understand, a legislative restriction, has it been removed?—It was removed by the Act of 1894.

Sir *Brampton Gurdon*.

2458. With regard to the policy of investment in ground rents, I think that has been their policy for some time, for a great many years?—Since about 1874 I will not say it has been their policy, but we have invested largely in ground rents since 1874.

2459. With regard to the rest which is very small, about 20,000*l.*, I suppose that is only in rounding off estates, purchasing accommodation land and so on?—Yes, that was practically so. Of course the investments were rather larger last year than usual, we happened to have a larger sum to deal with.

2460. Would you look at page 21 of the Abstract Account; you will see two items "The Co-operative Wholesale Society, Limited," and "Palmer Hall and Company." A fixed sum is paid in lieu of interest. Is the principal of that ever to be paid off?—Yes, those are sums which are only payable in the event of our succeeding in some litigation that we have in hand.

2461. The litigation extends to those two as well?—Yes.

2462. Those cases are on the same principle as the Consett Iron Company?—Yes.

Chairman.

2463. One question with regard to the Superannuation Allowances granted, on page 13 of the Abstract Accounts. I observe there are a number of people, some of them are common labourers, and I daresay they were perfectly qualified to receive these superannuation allowances, but may I ask what is the rule with regard to the superannuation of, say, the King's labourers in Windsor Palace?—Those are not the King's labourers, those are men employed under the Commissioner of Woods. We have to look after the park and we have a considerable staff of labourers and others—painters and so on. We have a good many buildings and works to look after.

2464. But have you any regular scale of superannuation

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3 July 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, Mr. HELLARD, and
Mr. HOWLETT.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 24.—Office of Woods, Forests,
and Land Revenues, &c.—*continued.**Chairman—continued.*

superannuation allowance to these men at 65?—
There is practically a regular scale.

2465. Take the case of a common labourer
like the third case we will say in this list, would
he have a claim to this amount of pension on
his retirement?—No, they have no actual claim.

2466. This is more in the nature of a
charitable payment?—Yes.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class II.—Vote 24.—Office of Woods, Forests,
and Land Revenues, &c.—*continued.**Sir Brampton Gurdon.*

2467. You look upon yourselves as ordinary
employers of labour in that respect; you look
upon an old labourer as having a moral right to
an allowance?—Yes.

[Mr. Hellard and Mr. Howlett withdrew.]

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS

On VOTE 6.

COLONIAL OFFICE.

Mr. A. H. H. ENGELBACH, called in; and Examined.

Chairman.

2468. In regard to the Colonial Office Vote, I
think you wish to give an explanation with re-
gard to a case you were asked about at the last
meeting of the Committee as regards the power
of sending a telegram through the Colonial
Office on behalf of a private individual?—Yes.
I did not know on the last occasion that I was
coming up to speak on this Vote or I should have
prepared myself upon it; but since then I have
ascertained some particulars in regard to that
case, and I have prepared a short memorandum
upon the point.

2469. Will you read it?—"In March, 1898, a
British subject made representations to the
effect that his brother had a short time previously
left for South Africa for the benefit of his health,
had become insane, and had been confined in a
criminal lunatic asylum at Pretoria. A request
was preferred that Her Majesty's representative
at Pretoria might be instructed to inquire into
the matter, with a view to the brother receiving
proper attention pending the applicant's arrival.
An undertaking having been given to refund all
expenses incurred in consequence of any action
that might be taken, a telegram was sent to the
Governor of the Cape on 19th March, 1898,
asking him to instruct Her Majesty's agent at
Pretoria to make enquiry, and to do what he
properly could. Application was subsequently
made in the usual way for the recovery of the
cost of the telegram, and although repeated
efforts were made later, they were unsuccessful.
The Treasury Solicitor, to whom the matter was
referred, reported that the individual in question
could not be found, and the Treasury approved
of a write-off. This is believed to be the only
case in which the cost of a telegram sent by the
Colonial Office on behalf of a private individual

Chairman—continued.

was not repaid. As regards the general question,
it has been customary for the Secretary of State
to allow a telegram to be forwarded at the
expense of a private individual in such cases in
which, had time not pressed, he would have con-
sidered it legitimate to forward a despatch as
being in connection with a matter of a grave
public nature."

Mr. Pym.

2470. I did not quite follow the latter part of
the memorandum you read; would you kindly
read again from the words, "as regards the
general question"?—Yes (*reading the passage
again*).

Mr. Austen Chamberlain.

2471. I understand that to mean that where
the matter is of sufficient public interest or so
closely connected with the public interest to
justify the Secretary of State interfering by way
of despatch, if time does not allow for com-
munication by mail, he is accustomed to authorize
the despatch of a telegram at the expense of the
sender?—That is so.

Mr. Pym.

2472. Then it must be on *quasi* public busi-
ness?—On *quasi* public business, certainly.

2473. Or else it would not be permitted at all?
—That is so.

2474. That was not quite the impression I
received from what you told us last time?—On
the last occasion I was not sufficiently informed
upon the matter; that is the fact.

2475. (To

3 July 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Mr. ENGELBACH.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

CLASS V.

On VOTE 3.

COLONIAL SERVICES.

Chairman.

2475. (To Mr. Engelbach.) You will observe in the first paragraph of the Comptroller and Auditor General's report upon this vote he complains of the delay in the sending in of this account. It should have been delivered on or before November 30th last, but it was not received until the 27th of December. Is there any means of quickening this account being sent up?—In this case it was considered desirable to get six months' expenditure of the West African Frontier Force into our accounts. Those are very heavy accounts. Six months' accounts had been received at various dates between January and October 1900. October, of course, is the month previous to the month in which we ought to send in our appropriation account. It was a choice of evils, and it was thought better, I suppose, to send in a well filled account.

2476. But do you mean that the others were all kept back on account of West Africa?—Yes, because the West African Accounts formed a very large amount of the expenditure. The appropriation account would, of course include all, and we could not render it very well without including some of this heavy expenditure.

Mr. Austen Chamberlain.

2477. In fact, if you had rendered your accounts at the earlier date they would have been very incomplete accounts?—That is so.

2478. And, on the whole, you thought it better to take more time about it, but to make your accounts complete when they were rendered?—Yes.

Chairman.

2479. In paragraph 8, I see the Comptroller and Auditor General says that the expenditure in the present account, under "West African Frontier Force," appears to have fallen short of the estimate by 101,000*l.*, and the explanation given of this short expenditure is that it is mainly due to the fact that no later accounts have been received from Jebba than those for September 1899. Have they been received since the Comptroller and Auditor General's Report was written?—We received six months' accounts up to the 31st March 1900, in January 1901, and we have since received accounts for the six months to the 30th September 1900, only last month, June 1901.

Sir Brampton Gurdon.

2480. If you will turn to page 446 you will see Sub-head O, "Rhodesia Salaries." Would you tell me what those salaries are?—Those are the salaries of a Resident Commissioner and of a Commandant General.

0.14.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class V.—Vote 3.—Colonial Services—
*continued.**Sir Brampton Gurdon—continued.*

2481. Will not that fall on the Rhodesian funds; should it fall on the Imperial funds?—It has been so decided. Of course we must have consulted the Treasury at the time.

2482. But is not that an expense which the Chartered Company ought to bear?—I am afraid I do not know.

2483. (To Sir E. W. Hamilton.) Perhaps you can tell us why we have to pay these expenses in Rhodesia?—That is the salary of the Imperial Officer of the Police.

2484. We took the police out of their hands, and therefore we have to pay the salary; is that it?—Yes.

2485. (To Mr. Engelbach.) Then under Sub-head S, "Orange River Territory," is that an old pension?—A very old pension.

2486. If you turn to page 452, in paragraph 3 of the Report, you will see "Waima compensation 200*l.*" Shall we get that back from the French Government?—Yes, we expect to.

2487. If we get the money out of the French Government that would be repaid from that fund?—Yes; all I know is that the matter is under arbitration still.

Mr. Goddard.

2488. This is a matter that has been already 10 years under consideration, has it not? Has any advance been made at all towards getting back that money?—Nothing new has been done, I believe; the matter is still under arbitration. We have paid something besides that amount since.

Mr. Herbert Lewis.

2489. It is arbitration as to the amount they should pay, I understand, not as to the question of liability?—I do not exactly know. (Sir E. W. Hamilton.) That is so.

Sir Brampton Gurdon.

2490. (To Mr. Engelbach.) With regard to the sums mentioned on page 456, paragraphs 27 and 29, will those sums of money which are now in hand on account of the Central Sugar Factories and the Hurricane Relief, St. Vincent, be wanted, or do you think they will be surrendered?—As to the sugar factories nothing really has been done at all.

2491. Do you think anything will be done about that; that is still in suspense, is it?—That is absolutely in suspense.

2492. Then as to the St. Vincent Hurricane Relief. What do you say as to that?—The amount you see there of 6,425*l.* as the unexpended balance has been reduced; in fact on the 31st December, 1900, it was only 4,093*l.* It is possible that some of that money may not be wanted.

Chairman.

2493. (To Mr. Richmond.) If it is granted as a grant

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3 July 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Mr. ENGELBACH.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class V.—Vote 3.—Colonial Services—
*continued.**Chairman—continued.*

a grant in aid is there power to take it back?—It will not be issued, I imagine, if it is not wanted. (Mr. Engelbach.) I cannot say whether it will be wanted or not.

Sir Brampton Gurdon.

2494. You observe on page 460 in the statement as to the Bechuanaland Protectorate, under the heading of "Receipts" there is an item "Ports," that means the Post Office, does it not?—I cannot answer that question because I never see the Bechuanaland accounts.

2495. At page 464 you will observe there are grants for "Antigua," "St. Kitts-Nevis," "Dominica," and "Montserrat," besides that there is a grant to the "Leeward Islands." What is the meaning of that; those are the Leeward Islands?—There is a separate account called the Leeward Islands Federal Account, which is kept distinct from the accounts of the individual islands.

2496. You mean there were agricultural expenses common to the whole, I suppose?—No; the expenditure was in connection with the Government Laboratory at Antigua, which was charged to the General Federal Account.

Mr. Cohen.

2497. On page 453 in paragraph 14 of the Comptroller and Auditor General's Report under the heading "West African Frontier Force," the Comptroller and Auditor General states that an "expenditure of 501*l.* 16*s.* and 29*l.* 14*s.* 6*d.* has also been charged to this sub-head, being the cost of replacement of stores lost, damaged or found to be unserviceable." The Comptroller and Auditor General adds that he has not received any replies to his requests for information as to whether any action has been taken with a view to recovery of these losses from those responsible; have you anything to add upon that point?—We have since sent the explanation to the Comptroller and Auditor General. Sir James Willcocks reported that the damages and losses were due to the want of sufficient transport to carry the stores to the interior. The Niger Company had done all they could to help us, and the Secretary of State did not consider he could ask them to pay and therefore fresh stores were ordered.

2498. Therefore this loss is a loss which has got to be faced; it is not recoverable; in other words, it is due to circumstances over which nobody is believed to have had control?—It is not recoverable.

2499. There was no neglect?—No. We have pointed out the circumstances to the Comptroller and Auditor General who, I believe, has accepted the explanation.

Mr. Goddard.

2500. In paragraph 13 of the Report reference

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class V.—Vote 3.—Colonial Services—
*continued.**Mr. Goddard—continued.*

is made to a sum of 55*l.* 10*s.* 8*d.* "for compensation to civilians for losses of personal property by fire for which Treasury authority has not so far been furnished." Has that authority now been obtained?—It has only just been asked for. We considered at first that we had a precedent for allowing this. There had been a case of some destruction of property of Colonel Morland as to which we had been in correspondence with the War Office, and on which the Audit Office raised no question, if I remember rightly. But in this case we have since very recently asked the Treasury for authority.

2501. Then in paragraph 26 under the head of "Steamer Subsidies," I observe that at the close of this account for 1898-99 there was a balance of 4,929*l.* odd; during 1899-1900 a sum of 35,000*l.* was voted; 87*l.* 14*s.* 8*d.* was received from other sources, while the expenditure during the year was only 229*l.* At the end of the year there was a balance in the hands of the Crown Agents of 39,788*l.* May I ask what is the meaning of that, and why these large sums are voted if they are not required?—The preparation of the contracts and the general preliminary arrangements took much longer than had been expected. I think you will find this is explained in the Estimates for 1901-2. At page 457 of this year's Estimates there is the explanation given that "contracts have been entered into with certain steamship companies by the Canadian and British Governments respectively for a line of steamers (a) between Canada and the West Indies, and (b) between Jamaica and the United Kingdom, under which the Imperial contribution amounts to an annual charge of 13,500*l.* and 20,000*l.* for a term of five years and ten years from the 1st July 1900, and the 16th January 1901, respectively. The 10,000*l.* is sought to supplement the balance still available out of the grants of 5,000*l.* and 35,000 in 1898-99 and 1899-1900, to meet the charge to be incurred under both contracts during 1901-2."

2502. Then may I ask this: do the Crown Agents render any account of what is done with these funds while they are in their hands?—Yes, they render us accounts of all these grants.

2503. What is done with the money; is it banked?—As a rule, any moneys are placed on deposit, so that interest accrues.

2503.* You have a full account of it from the Crown Agents while the money is in their hands?—Yes.

Mr. Pym.

2504. That sum mentioned in paragraph 26 of 87*l.* 14*s.* 8*d.*, which is stated to be "received during the year as interest on the Deposit Account," is what you are referring to, is it not?—That is exactly what I meant.

2505. They

3 July 1901.]

Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Mr. ENGELBACH.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class V.—Vote 3.—Colonial Services—
*continued.**Mr. Pym—continued.*

2505. They account to you for the interest on the money which is not spent?—Yes.

Chairman.

2506. Do you appear for the Cyprus Vote

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class V.—Vote 3.—Colonial Services—
*continued.**Chairman—continued.*

also?—No. I am asked to say that the gentleman who was coming to answer for that Vote is ill, and to ask that you would postpone it.

[Mr. Engelbach withdrew.]

On VOTE 2.

UGANDA, CENTRAL AND EAST AFRICA PROTECTORATES, AND UGANDA RAILWAY.

Sir CLEMENT HILL, K.C.M.G., C.B., called in; and Examined.

Chairman.

2507. I suppose the grants for the Protectorates are made under separate Acts?—The Treasury makes the grants to us. Sir Edward Hamilton would know on what authority they make them.

2508. (To Sir E. W. Hamilton.) Are all these grants made under separate Acts of Parliament?—By annual Votes of Parliament.

2509. (To Sir Clement Hill.) As regards the accounts referred to in paragraph 6 of the Comptroller and Auditor General's Report, which were lost during the mutiny, in regard to pay, rations, and allowances to Soudanese troops, do you consider those are irrecoverable accounts?—Quite.

2510. There is no chance of our ever hearing anything more about them?—None at all, I think.

2511. There is at present, is there not, an officer of the Comptroller and Auditor General's out in Uganda endeavouring to settle up the accounts as far as possible?—Yes, he is clearing up all arrears of accounts as much as he can.

2512. (To Mr. Richmond.) Are you satisfied with the progress he is making?—We have made, I think, very good progress lately.

2513. Some of these accounts appear to be later than others. I observe, for instance, that the accounts for East Africa are a year in arrear of those for Central Africa, is there any reason for that?—I do not know that I could give any good reason. I am sorry to say it is the fact.

2514. But all progress is being made?—Yes, progress is being made all round.

*Mr. Goddard.*2515. (To Sir Clement Hill.) I observe that in paragraph 6 of the Comptroller and Auditor General's Report there is another sum of 13,900*l.* referred to charged to the head of "Rebellion and Mutiny," and the Comptroller and Auditor General reports that in support of this expenditure, "few vouchers of any value have been*Mr. Goddard—continued.*

rendered and that the greater portion is practically unvouched." Who is responsible for that method of accounting?—Primarily the Commissioner of the Protectorate, who is the accounting officer.

2516. I notice that in this year 1899-1900, the Parliamentary Grant to the Protectorate amounts to no less than a sum of nearly 567,000*l.*, and it was all claimed except 5*s.*, surely there ought to be some better method for accounting for such a large sum of money?—All the accounts for those periods to which these accounts relate were upset by the mutiny. Of course we had not a very strong staff in the Protectorate, and things were destroyed, and some of the stations were looted by the mutineers.

2517. (To Mr. Richmond.) Did the officers who are responsible here give you all facilities for examining the accounts?—Quite so. There is no complaint upon that score.

2518. There is no attempt to prevent a complete examination?—I have heard of nothing of that sort.

Mr. Banbury.

2519. Are you quite satisfied that it was owing to the mutiny?—I think there is no doubt it was due to that.

Sir Brampton Gurdon.

2520. There is one question I wish to ask, or rather I should like to make a suggestion with regard to the vouchers, especially with regard to British Central Africa. I was out there lately and I found the officers there say that according to the requirements of the Foreign Office they are obliged to render a voucher for every small thing. If they make a payment to a native porter, and cases of that kind, where the payment is generally made in calico, they told me that the Foreign Office insisted upon vouchers. They, therefore, make out very carefully and conscientiously

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Sir E. W. HAMILTON, K.C.B., Mr. RICHMOND, and
Sir C. HILL, K.C.M.G., C.B.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class V.—Vote 2.—Uganda, Central and East
Africa Protectorates, and Uganda Railway—
continued.

Sir Brampton Gurdon—continued.

conscientiously long lists of the porters with all their names, either their native names or the names by which they are known, like "Old Tom" and so on. Of course those men cannot write, and I need not tell you if you try to make one of those natives make a mark, they are so superstitious and so frightened that they would run for five or six days without stopping. Therefore all that these officers can do is after having made up this list on account paper they have themselves to make a cross opposite each name. It strikes me that that is a very great waste of time and rather a silly thing to do, and I should like to know whether it is under the Audit Office or the Foreign Office Rules that that is done, or whether it is only these officers' idea of what the requirements are; and if it is under any rules, whether it could not be relaxed; because as it seems to me it is carrying audit to a ridiculous extreme?—I would rather leave the Comptroller and Auditor General to answer that question. (Mr. Richmond.) In some of these cases I accept simply the certificate from the officer that he has made certain payments; that not infrequently is the case. If we do not get a receipt from the payee I try at least to get a certificate from the payer that he has disbursed the money in the proper way.

2521. (To Sir Clement Hill.) I would suggest that the Foreign Office should make it clear that in these ridiculously small cases it is not necessary to get vouchers?—They would be very pleased to be relieved of it, I am sure.

Chairman.

2522. (To Mr. Richmond.) I think we might say that if you are satisfied that we may safely do without vouchers in the case of these payments to natives in the Uganda Protectorate, where you cannot get any vouchers, you will find no difficulty from the Committee if vouchers are dispensed with in such cases?—Provided I can always get a certificate from the responsible officer that the money has been so expended.

Mr. Austen Chamberlain.

2523. Am I to understand that that would apply in similar cases elsewhere in West Africa and other parts?—It is all I can have recourse to elsewhere sometimes. In any part of the world where I find it practically impossible to get direct vouchers, I then have recourse to a certificate from the responsible officer. It is only in the last resort that I take that course.

[Sir Clement Hill withdrew.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

CLASS III.

LAW AND JUSTICE.

ON VOTE 13.

PRISONS, SCOTLAND.

Sir Brampton Gurdon.

2524. (To Sir E. W. Hamilton.) I do not quite understand the statement at the bottom of page 293. It states that the net profit is 4,753*l.* to which is added the difference between liabilities and assets; ought not it to be subtracted; the debts due by the manufactory are greater than the debts due to the manufactory, therefore it reduces the profit and should be subtracted and not added; is not that so?—I think I should have to ask the Accounting Officer for an explanation.

2525. Do you agree with my criticism?—I am not quite certain that I follow the honourable Member's point.

2526. You observe there is a net profit of 4,753*l.*?—Yes.

2527. Of course, if the assets are greater than the liabilities, that would increase the net profit; but, apparently, the liabilities are greater than the assets; therefore, surely that 184*l.* ought to be subtracted and not added?—I do not follow the statement at the moment.

Sir Robert Mowbray.

2528. (To Mr. Richmond.) Is not this a possible explanation, that the cash realised is greater than the net profit simply by reason that they have not paid some of their debts, and they carry to the Appropriation Account only the actual cash realised?—Yes.

Sir Brampton Gurdon.

2529. I believe that is the right explanation. (To Sir E. W. Hamilton.) Now there is one question I have to ask as regards the last item on page 294, "Perth General Prison (Inebriates' Home)"; that is entirely a new service. That, of course, has been authorised by the Treasury?—That is so. It was in consequence of an Act of Parliament.

2530. It was in consequence of the Inebriates Act; but the Inebriates Act was passed in 1898, so ought they not to have foreseen that expenditure at the time the Estimate was made up?—I fancy the Act was passed subsequently.

ON VOTE 14.

LAW CHARGES AND CRIMINAL PROSECUTIONS,
IRELAND.

Chairman.

2531. (To Sir E. W. Hamilton.) Under Sub-head I., on page 299, you will observe it is stated that a sum of 7,987*l.* is repaid to the High Sheriffs in Ireland for expenses incurred by them in

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Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class III.—Vote 14.—Law Charges and Criminal
Prosecutions, Ireland—*continued.*

Chairman—continued.

in receiving Her Majesty's Judges of Assize; that is a new grant, is it not?—That is so.

2532. Is that to be permanent?—I believe so.

2533. In consideration of their impecunious condition?—Yes.

On VOTE 15.

SUPREME COURT OF JUDICATURE AND OTHER
LEGAL DEPARTMENTS IN IRELAND.

Sir Brampton Gurdon.

2534. (To Sir E. W. Hamilton.) Under Sub-head D., I observe it is stated in the explanation that "Compensation was paid to the Probate Registrars in respect of part of the previous year"; is that in consequence of the Probate Registrars being abolished; are those officers who are gradually being abolished?—Payment was made to five Registrars of compensation for loss of fees under the Finance Act of 1894.

On VOTE 16.

IRISH LAND COMMISSION.

No questions.

On VOTE 17.

COUNTY COURT OFFICERS, &c., IRELAND.

No questions.

On VOTE 18.

DUBLIN METROPOLITAN POLICE.

Chairman.

2535. (To Sir E. W. Hamilton.) Do you know why neither the Dublin Metropolitan Police nor the Royal Irish Constabulary in the next Vote are not recruited up to their full strength; they are both under their full strength, in the one case to the extent of 30 men, and in the other to the extent of 50 men?—I cannot give any special reason, but I presume the Estimate provides for the maximum; it does not follow that the whole authorised strength will be required.

ON VOTE 19.

ROYAL IRISH CONSTABULARY.

Chairman.

2536. In paragraph 2 of his Report upon this Vote, the Comptroller and Auditor General refers to a pension with regard to a pensioner who was insane, and it was held by the Treasury that, he not being a Civil Servant, they could not make payments to his next-of-kin for his pension; but is not that the case alluded to in Sub-head S, and is not the man now dead?—No, it is not the same man.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class III.—Vote 19.—Royal Irish Constabulary
—*continued.*

Chairman—continued.

2537. I presume if a relative proves any authority to take a man's pension he can receive his pension for him?—There is no statutory power to pay it in such a case as this: it is a very hard case, and I should hope the Committee would pass the payment. We should certainly recommend it to be passed because it is very hard that this man who is the brother and who is obliged to support the lunatic, cannot receive the money in respect of the pension.

2538. But is there no means of remedying that?—No, except by legislation.

2539. So far as the Committee are concerned I presume we have no objection to this payment being passed?—I should hope the Committee would under the circumstances pass it, it is a very hard case.

Mr. Austen Chamberlain.

2540. Do I understand the position is this: that a member of the Royal Irish Constabulary being a lunatic, and therefore being unable himself to give a discharge, the State is unable to pay to anyone for the lunatic's benefit the pension to which he is entitled?—Yes, there is a statutory disability about it.

2541. And, therefore, the State makes a saving out of this man's insanity?—Yes, that would be so. The brother cannot give a legal discharge for the sums paid.

2542. Therefore, in so far, will they be unable to pay it?—They will be unable to pay it.

2543. And the State will pocket the pension that is due to this man because he himself is incapable of giving a discharge and no one else can give a legal discharge on his behalf?—That is so.

Sir Brampton Gurdon.

2544. Surely a Lunacy Commissioner could put it right directly, could he not?—I do not think so.

2545. If it is brought before a Lunacy Commissioner he would give the requisite authority, would he not?—But this man is not a declared lunatic.

Chairman.

2546. Would a recommendation by this Committee be of any use in the matter?—Certainly. No doubt the Comptroller and Auditor General would be satisfied with any recommendation of the Committee. (Mr. Richmond.) Certainly.

Sir Robert Mowbray.

2547. (To Sir E. W. Hamilton.) I understand for this year you have passed this payment?—Up to a certain time.

2548. Is there any pension for this past year, coming into this account, which has not been paid?—Yes; the pension was suspended on 30th September 1899, and has not been paid subsequently.

2549. The hardship has actually occurred?—Yes.

2550. If

3 July 1901.]

Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class III.—Vote 19.—Royal Irish Constabulary
—continued.*Mr. Cohen.*

2550. If the Chairman were to put a paragraph in the Report of this Committee, recommending it to be passed, I gather that this payment, which has been suspended, would then be made directly?—Certainly.

Sir Robert Mowbray.

2551. Without legislation?—Certainly.

On VOTE 20.

PRISONS, IRELAND.

No questions.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

On VOTE 21.

REFORMATORY AND INDUSTRIAL SCHOOLS,
IRELAND.

No questions.

On VOTE 22.

DUNDRUM CRIMINAL LUNATIC ASYLUM,
IRELAND.*Chairman.*

2552. (To Sir E. W. Hamilton.) I observe, in regard to the Dundrum Asylum, the farm and garden appear to be a paying affair, differing from the case of the Broadmoor Asylum?—That is so.

CLASS VI.

NON-EFFECTIVE AND CHARITABLE SERVICES.

On VOTE 5.

SAVINGS BANKS AND FRIENDLY SOCIETIES DEFICIENCIES.

Mr. GEORGE W. HERVEY, C.B., called in; and Examined.

Chairman.

2553 You have a supplementary sum of 697l to ask Parliament for, I think, to make good the difference between the estimated and the actual deficiency?—Yes.

Sir Robert Mowbray.

2554 Would that be an excess vote on this

Sir Robert Mowbray—continued.

Account?—It has been voted; it was voted in the Estimates for the subsequent year.

2555. In the year ending March 1901?—Yes; it was voted early this year.

[The Witnesses withdrew.]

Wednesday, 10th July 1901.

MEMBERS PRESENT:

Mr. Banbury.
Mr. Gibson Bowles.
Mr. Cameron Corbett.
Mr. Goddard.
Sir Brampton Gurdon.

Sir Arthur Hayter.
Mr. Brodie Hoare.
Mr. Herbert Lewis.
Sir Robert Mowbray.
Mr. Pym.

SIR ARTHUR HAYTER, BART., IN THE CHAIR.

Sir EDWARD W. HAMILTON, K.C.B., and Mr. DOUGLAS CLOSE RICHMOND, called in and Examined.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1899-1900.

CLASS IV.

EDUCATION, SCIENCE AND ART.

On VOTE 3.

BRITISH MUSEUM.

Sir Brampton Gurdon.

2556. (To Mr. Richmond.) At the end of page 355 there is a certain Statement as to Expenditure from Grants in Aid; those accounts are audited, are they not?—They are audited in my Department to the extent that the Grant in Aid is spent in the year.

2557. You see that it is properly spent and that vouchers are given?—Yes, it is audited exactly like any other part of the Vote.

On VOTE 4.

NATIONAL GALLERY.

Chairman.

2558. (To Sir E. W. Hamilton.) I observe it is stated in paragraph 2 of the Report on this Vote, that there is no provision under the Grant in Aid for the Purchase of Pictures, because there was 11,800*l.* voted in the preceding year?—That was so.

On VOTE 5.

NATIONAL PORTRAIT GALLERY.

No questions.

On VOTE 6.

WALLACE COLLECTION.

Mr. Goddard.

2559. (To Sir E. W. Hamilton.) There is a little matter I should like you, if you can, to 0.14.

Class IV.—Vote 6.—Wallace Collection—*continued.*

Mr. Goddard—continued.

explain in regard to Items A. and B.; I observe in Item A. a vote was taken for 1,264*l.*, and the expenditure was 949*l.* 14*s.*; the excess of 314*l.* is explained in the note to be due "to the postponement of the opening of the Wallace Collection from 1st January 1900 to 25th June 1900," and consequently the "full number of attendants and porters were not appointed"; but when you come to Item B. for Police, the vote was taken for 2,656*l.* and it was all expended except 12*s.* 6*d.*; can you explain that, because if the Estimate was based on the intention to open on January 1st and the opening was actually delayed until six months later, ought there not to have been a saving on this heading of the Vote as well as on the other?—No, the police were in attendance before the building was open to the public.

2560. The full number of police?—Yes, I believe so. They were required in order that everything connected with the gallery should be watched carefully while it was in process of being put together and arranged.

2561. I should have thought it was impossible to have used as many police before the gallery was opened as when it was opened?—There are more police now. This was not the full complement of police.

2562. On the face of it it appears that you have this gallery open for six months and you use

A A

10 July 1901.]

Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class IV.—Vote 6.—Wallace Collection—
continued.

Mr. Goddard—continued.

use the Vote taken for the police force for 12 months?—I suppose it was found necessary to have the police in attendance.

Mr. Pym.

2563. I suppose the pictures and the works of value would be there whether the gallery was open to the public or not?—Certainly.

2564. Consequently you had to have the proper number of police to watch over it?—Yes.

Mr. Goddard.

2565. That would be outside I suppose?—No, they would be required inside too, because there were workmen; the police were there to see that nothing was carried away.

On VOTES 7 to 9.

No questions.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class IV.—*continued.*

On VOTES 12 and 13.

No questions.

On VOTE 14.

NATIONAL GALLERY OF IRELAND.

Chairman.

2566. (To Sir E. W. Hamilton.) Is the gentleman who buys the pictures for the National Gallery of Ireland also the curator of the National Gallery, as Mr. Doyle was?—Yes, I think he holds the same appointment.

On VOTE 15.

No questions.

CLASS V.

FOREIGN AND COLONIAL SERVICES.

On VOTE 4.

CYPRUS (GRANT IN AID).

Mr. A. E. COLLINS, called in; and Examined.

Chairman.

2567. WILL you explain to me what is the principle upon which this Grant in Aid is given; I observe there is 13,000*l.* given this year which is much less than was granted last year, although the revenue is worse?—The Grant in Aid depends upon the deficit at the end of the financial year before the year in which the Grant in Aid is taken. The Committee are aware that Cyprus pays a tribute of 92,800*l.* a year to Turkey; and ever since the island has been taken over, except for two years, the revenue has not been sufficient to pay for the expenditure as well as for the whole of the tribute; and consequently Parliament has been asked to supply the deficiency year by year. When the Estimate is prepared for Parliament it is based on a forecast of what is likely to be the deficit on the accounts in the island at the end of the year preceding the year in which the Grant is to be voted.

2568. In this year which we are now discussing I observe the income exceeded the expenditure by 65,000*l.* if you put aside the tribute to Turkey?—Yes.

2569. The tribute to Turkey is 93,000*l.*, is it not?—£. 92,800.

2570. Were it not for the tribute, this island—Yes.

Chairman—continued.

would always have a very considerable surplus? 2571. In each year, so far as I understand, the contribution is governed by the amount which it is estimated the income will fall short of expenditure, including the tribute, is that so?—Yes, for the year preceding that in which the Grant is voted.

Sir Brampton Gurdon.

2572. The tribute is not really paid to Turkey, it is paid to the bondholders, is it not?—Yes.

2573. The result of this account is that Cyprus has cost us about 650,000*l.* since we have had it, that is the net cost of Cyprus to the British taxpayer?—That is subject to qualification.

Sir Robert Mowbray.

2574. But the tribute, as a matter of fact, is impounded by the British Government in order to pay the interest guaranteed by the British Government on the Crimean Loan of 1855?—Yes; if we had not Cyprus we should have to pay our share of that loan ourselves; so that the total loss entailed upon us by the island is not so high as was put by the honourable Member just now.

[Mr. Collins withdrew.]

10 July 1901.]

Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.

Class V.—continued.

On VOTES 5 and 6.

No questions.

CLASS VI.

NON-EFFECTIVE AND CHARITABLE SERVICES.

On VOTE 1.

SUPERANNUATION AND RETIRED ALLOWANCES.

Mr. Goddard.

2575. (To Sir E. W. Hamilton.) I should like a little explanation about the various headings under this account. I see there are Sub-head A, "Superannuation Allowances"; Sub-head B, "Compensation Allowances"; Sub-head C, "Gratuities"; Sub-head D, "Compassionate Allowances and Gratuities," and Sub-head F, "Compassionate Fund." It seems to be a very complicated arrangement having those five Sub-heads; can you explain what is the difference between Sub-heads C. D. and F. "Gratuities," "Compassionate Allowances and Gratuities," and "Compassionate Fund"?—I think they are all under different Acts. For instance, Sub-head C, "Gratuities" is under the 22nd Victoria, chapter 26; Sub-head D. is under the Superannuation Act of 1887; and Sub-head F. is under no Act, but is a special fund voted every year, administered by the First Lord of the Treasury.

2576 Then there is a distinction between all of them?—Yes.

2577. May I ask you this, then. On page 483 there is a long list of "cases reported to the Paymaster General of extra remuneration received by pensioned officers during the year 1899-1900"; that does not purport to be a complete statement, does it?—I think so.

2578. I observe, apparently, there are no pensioned Army or Navy officers named there?—That list applies only to Civil Service superannuation; it does not relate to the Army and Navy.

2579. Does it not refer to men who are employed in civil appointments who may be Army and Navy pensioners?—It relates to Civil Service superannuation.

Mr. Gibson Bowles.

2580. The payments in that list are payments outside this Vote to people on the Vote, as I understand?—Yes, payments to persons who are in receipt of pensions under this Vote.

2581. This list, on page 483, represents payments made outside of and in addition to this Vote?—Yes.

Mr. Goddard.

2582. They are payments by way of extra remuneration?—Yes.

2583. Now, there are one or two cases I should like to ask about. In Class II., Vote 3, I observe that a non-resident director of the Suez Canal paid 800*l.* per annum. There is a note in the

0.14.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class VI.—Vote 1.—Superannuation and
Retired Allowances—continued.

Mr. Goddard—continued.

Estimates for 1899-1900, on page 85, which says that he gets also 950*l.* per annum from Class VI., Vote 1; that is extra remuneration?—It is.

2584. That is not on this list?—No. The reason why that is not shown in the Appropriation Accounts is that it had been already explained to Parliament in the Estimates.

2585. I understood you to say that this list on page 483 was a statement of all the extra remuneration received by pensioned officers?—I think I was wrong in stating that it was a complete list. It does not include all the cases. The object of this statement on page 483 is to provide Parliament with information which has not been given in the Estimates. If the information has been given on the Estimates it is not repeated again on the Appropriation Accounts.

2586. Does that apply to this case, in Class II., Vote 8—Board of Trade; a librarian in the Board of Trade Office gets 550*l.* per annum; and there is a note on the Estimate on page 110 which says he also gets 250*l.* a year from Class VI., Vote 1; that case does not appear on this list because it appears on the Estimate; is that the explanation?—That is the explanation.

2587. That is the rule that regulates this matter, is it?—That is so.

2588. Would it not be much simpler if all these cases were put into one list?—This list is really only intended to supply omissions made in the Estimates.

2589. May I point out that it is very difficult to trace all these cases if you have to go through the Estimates and pick out the foot notes. Would it not be very much simpler if all those who are pensioners and receive certain extra remuneration for other work were put into one list?—Does the honourable Member mean a list attached to the Appropriation Accounts, or a list attached to the Estimates?

2590. I mean in such a list as we have here at page 483?—If you had a list at all I think it would be better to have it with the Estimates.

Chairman.

2591. The second column in this list shows the department in which the officers served, does it not?—That is so.

2592. Now take the case of Mr. Spearman whom I happen to know; he was a clerk in the Public Works Loan Department, he was employed at the Paris Exhibition and he receives 500*l.*, being a retired man and as being useful to Mr. Jekyll over in Paris?—Yes.

Sir Brampton Gurdon.

2593. Some of these sums, such as the payment of an inspector of factories of 300*l.* a year, and especially the payment I see here to Mary Connor of the Prisons Department of 24*s.* a week, are rather high pay; do they follow strictly the rule that the pay with the pension must not exceed

A A 2

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Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class VI.—Vote 1.—Superannuation and
Retired Allowances—*continued.*Sir Brampton Gurdon—*continued.*

exceed their former pay?—Yes, that is the invariable rule. It is prescribed by Statute.

2594. Would that be so, even with Mary Connor?—I believe so.

2595. Because 24s. a week is rather high unless her pension was very small indeed; still you think that rule is invariably followed?—Yes, I think I can state positively that is the rule.

Mr. Goddard.

2596. Would there be any difficulty in making out a list such as I have suggested that would render it very much more simple to follow the matter?—The idea is to give Parliament the information at the time they are voting the salaries. If you have a list at all I think you had better have the list with the Estimates. I think it would be a very long one.

Mr. Gibson Bowles.

2597. There is one question I should like to ask. You see under Sub-head D. there are "Compassionate Allowances and Gratuities," and under Sub-head F. "Compassionate Fund." Would there be any objection (and if so, what) to making payments now made under "Compassionate Fund" out of Sub-head D., "Compassionate Allowances and Gratuities"?—Sub-head D., "Compassionate Allowances and Gratuities," is under an Act of Parliament.

2598. I am aware of that?—While the "Compassionate Fund" is a separate fund administered by the First Lord of the Treasury.

2599. Quite so; but that does not quite answer my suggestion. Is there anything that is now done under the "Compassionate Fund" which might not be done under "Compassionate Allowances and Gratuities"?—The only difference is that there is an Act of Parliament governing the one case which is not so as regards the other.

2600. Am I to understand you that the "Compassionate Fund" involves payments which could not be made as a "Compassionate Allowance" under the Act; is that so?—Yes.

On VOTE 2.

No questions.

On VOTE 3.

MISCELLANEOUS CHARITABLE AND OTHER
ALLOWANCES, GREAT BRITAIN.

Mr. Goddard.

2601. (To Sir E. W. Hamilton.) I wish to draw your attention to Item C., "Miscellaneous Allowances, 1,361*l.*" Apparently that includes a lot of odds and ends such as "Corporation of Berwick for repairs of bridge, 90*l.* 9*s.*; the Bishop of Sodor and Man, to be distributed among the incumbents and schoolmasters of the Isle of Man, 89*l.* 9*s.*;" and various other sums; and of

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class VI.—Vote 3.—Miscellaneous Charitable
and other Allowances, Great Britain—*continued.*Mr. Goddard—*continued.*

all those sums there is only one that I can find that is under an Act of Parliament; that is a grant to Oxford and Cambridge for the loss of the privilege of printing and vending almanacks. That is described in the Estimates on page 486 as being due to an Act of Parliament. What I wanted to ask is this: by what arrangement are the other sums paid?—Most of them, I think, are by old grants; for instance, in the case of the Corporation of Berwick that was by an old grant of Charles II.

2602. None are under Acts of Parliament except the compensation to Oxford and Cambridge?—That is so.

2603. Are those sums paid over as grants in aid or are they subject to any accounts?—They are fixed sums; the same sums are paid every year.

2604. Do we have any account of that?—The Comptroller and Auditor General would see the account, I presume.

2605. Take, for instance, the grant to the Bishop of Sodor and Man; could you say how much of that goes to schoolmasters and how much to incumbents?—I am not sure whether the Comptroller and Auditor General follows that sum up.

2606. (To Mr. Richmond.) Have you an opportunity of following that up?—No, I cannot follow that up.

2607. Is there any statement made to you by which you could follow it?—I am not able to follow it any further. (Sir E. W. Hamilton.) I may say all these various sums to which the honourable Member refers have been held by the Law Officers to be binding payments upon the Government of the day.

2608. That may be, but what I want to know is, have we any means of knowing that the money is actually used in these grants at all?—I could not speak with certainty as to that.

2609. (To Mr. Richmond.) Apparently you do not see any account?—I have no doubt we see a receipt for all payments out of the Vote; I cannot say more than that.

2610. (To Sir E. W. Hamilton.) Does it not seem to you that unless these different payments are due to an Act of Parliament we ought to have some further information about them than we have got here. There is absolutely no information given either in the Estimates or in the Appropriation Accounts about these payments?—They are all, as I have said, held by the Law Officers to be binding payments which we could not possibly avoid making.

2611. I understand you to say that, but there is no account; we do not know how the payments are made, and the Comptroller and Auditor General, as I understand, cannot tell us?—(Mr. Richmond.) So far as I can say, without having looked particularly into the point, I do not see more, for instance, than the receipt of the Bishop for the lump sum.

2612. I observe

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[Continued.]

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class VI.—Vote 3.—Miscellaneous Charitable
and other Allowances, Great Britain—*continued*.*Mr. Gibson Bowles.*

2612. I observe your certificate, on page 488, certifies that the account has been examined under your directions and is correct?—Yes.

2613. I presume that means you have satisfied yourself that there are adequate vouchers for each one of the payments made?—Quite so; adequate vouchers for the lump sum that is to be distributed, but someone has to make the distribution.

2614. And adequate Parliamentary authority to make the payment?—Certainly.

Chairman.

2615. You would not see anything but the receipt which you take as your voucher?—I should take that as the voucher.

2616. You would not see what the bishop gave in each case; you would not see each particular item?—I should not ask for that.

Mr. Goddard.

2617. Take the case of the Corporation of Berwick, which receives for repairs of bridge 90*l.* 9*s.*; are you satisfied simply to get a receipt for 90*l.* 9*s.*: do you know whether the money is spent for the repairs of the bridge?—I cannot say off-hand whether I do or do not receive a detailed statement from the Corporation of Berwick as to the expenditure of the money. I could ascertain that, and I shall be happy to find it out for the honourable Member if he thinks fit; but my impression is that we take the corporation receipt.

2618. I quite understand that sum may not be expended every year; it may be put into a fund for the purpose of repairing the bridge from time to time, as may be necessary; but I suggest that we ought to know that the money does go into such a fund and is expended for such a purpose?—(Sir E. W. Hamilton.) I imagine it is part of the revenues of the corporation.

Sir Brampton Gurdon.

2619. (To Mr. Richmond.) As I understand your case is this, there is some old contract which has been confirmed by Act of Parliament by which we had become responsible for the bridge, and then we said that we would have no more responsibility, but would give an annuity of 90*l.* and get rid of the thing altogether; and having done that we have no right to ask questions as to what becomes of the money?—I think that is probably quite a correct description of the matter, and we cannot go any further. (Sir E. W. Hamilton.) I find the corporation send in to the Treasury their accounts of the expenditure on the bridge for which the money is paid.

On VOTES 4 and 5.

No questions.

CLASS VII.

On VOTES 1 and 2.

No questions.

CIVIL SERVICE APPROPRIATION ACCOUNTS,
1899-1900.Class VII.—*continued*.

On VOTE 3.

CONGESTED DISTRICTS BOARD (SCOTLAND)
FUND.*Sir Brampton Gurdon.*

2620. (To Mr. Richmond.) I see on page 515 there is a statement showing "Account of Receipts and Payments under the Congested Districts (Scotland) Act, 1897"; all those accounts are audited, are they not?—Some are gross sums payable to local authorities; for instance, the first item of 15,000*l.*, "Annual sum available out of the Local Taxation (Scotland) Account," would be paid in gross.

2621. That is on the receipts side. I was speaking of the other side of the account, the payment side of the account?—Yes, that is all examined.

2622. Except, of course, so far as they are Grants?—Quite so.

On VOTE 4.

No questions.

On VOTE 5.

PARIS EXHIBITION.

Chairman.

2623. (To Sir E. W. Hamilton.) May I ask what became of this unexpended balance which is stated in the Comptroller and Auditor General's Report to amount to 64,365*l.*?—It would be carried forward and spent in the following year.

2624. The Exhibition being open, of course, for another year afterwards?—Yes.

Sir Brampton Gurdon.

2625. Is that invested in any way or is it held as part of the public balances?—I happen to know that part of it was invested at the time; they put it on deposit.

2626. Where is that 64,000*l.* now?—I think it has all been spent since that time; during the Exhibition year.

Chairman.

2627. On the following page 518, there is an item for interest upon the 95,000*l.*; that accounts for it, does it not?—Yes.

On VOTE 6.

REPAYMENTS TO THE LOCAL LOANS FUND.

Mr. Banbury.

2628. (To Mr. Richmond.) Does paragraph 1 of your Report upon this Vote mean that the 23,000*l.* has been lost?—It was written off, under the schedule to the Act, as irrecoverable.

GRANT TO LORD KITCHENER OF KHARTOUM.

No Questions.

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Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

REVENUE DEPARTMENTS.

On VOTE 1.

CUSTOMS.

Sir Brampton Gurdon.

2629. (To Sir E. W. Hamilton.) In the second paragraph of the Comptroller and Auditor General's Report on this Vote, it is stated that "a new sub-head (Lost by Fraud, &c.) has been introduced into the account. I do not quite understand why it was necessary to introduce that new sub-head, if the sum was recovered from the defaulting officer. The salary by which

Sir Brampton Gurdon—continued.

the arrears of salary were provided, and from which it was recovered, must have been due before the 31st of March; that being so, why was it necessary to introduce a new sub-head to record the sum of 24*l.* 9*s.* 8*d.*?—I think it was found impossible to charge the Vote with the salary, because no receipt could be forthcoming, the man having disappeared.

On VOTE 2.

INLAND REVENUE.

Mr. ALFRED STAIR, called in; and Examined.

Chairman.

2630. You represent the Inland Revenue Department, I believe?—Yes.

2631. Will you look at Sub-Head E., "Commutated Allowances, &c. to Assessors and Collectors of Taxes." You observe there a sum of 6,346*l.* was spent more than was estimated for; have you taken a larger sum in the following year for that Sub-head?—We have.

Sir Robert Mowbray

2632. Are the collectors paid by poundage?—No, by commuted allowance; a fixed sum.

2633. Is anybody connected with the Inland Revenue paid by poundage?—The collectors in Ireland are.

2634. Nobody in England?—No one in England at all.

2635. And only the collectors in Ireland?—Only the collectors in Ireland.

Chairman.

2636. Then, in Sub-Head P. "Law Charges," again there is a very large under-estimate of 5,600*l.*; did you take a larger sum the year following for that?—Yes. In the year in question we had under-estimated it. It is a very fluctuating sum; it is quite impossible to forecast what the prosecutions will be in the course of the year.

2637. In that year they were very heavy in respect of dog licenses?—They were very heavy in respect of licenses.

2638. I observe in the next Sub-Head Q., "Rewards to Officers and others for Detections,"

Chairman—continued.

there is a considerable under estimate, and the explanation given is: "The amount of rewards paid to the Royal Irish Constabulary for detection of illicit distillation was largely in excess of the sum provided." Does that mean that illicit distillation is going on to a larger extent in Ireland?—I do not know that it does. Of course, it includes the rewards paid to the constabulary.

2639. Is there any more stringent mode being enforced to discover it, or what is the reason?—I do not think so. They have fixed rewards which are paid upon the certificate of the Inspector General. We are merely agents in the payment of the money.

2640. I presume the officers have earned more; they have discovered more?—Yes, I presume they have discovered more.

Mr. Banbury.

2641. (To Mr. Richmond.) In paragraph 7 of your Report you say you have been furnished with a schedule of the cases in which remissions or abandonment of claims on account of revenue have taken place in the past year, and the total amount remitted or abandoned in such cases is 30,621*l.* I do not see that schedule here?—I have seen the list making up that figure.

2642. The schedule does not appear in these accounts, does it?—No.

2643. You are satisfied with the reasons given in the schedule?—Yes; I was satisfied on examination of it.

[Mr. Stair withdrew.]

On VOTE 3.

POST OFFICE.

Mr. C. A KING, called in and Examined.

Chairman.

2644. (To Sir E. W. Hamilton.) In the first paragraph of his Report upon this Vote the Comptroller and Auditor General says the Treasury have authorised the application of the

Chairman—continued.

net surpluses, amounting to 53,231*l.*, towards meeting the net deficits, amounting to 56,881*l.* But there is an excess expenditure of 3,650*l.* beyond the gross Estimate, and with regard to that

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[Continued.]

REVENUE DEPARTMENTS.

Vote 3.—Post Office—continued.

Chairman—continued.

that "their Lordships state that it must remain over as a charge against the Accounting Officer until the Committee of the House of Commons on Public Accounts have considered this Report and decided whether an Excess Vote should be taken." You consider of course that an Excess Vote should be taken for that?—It has been taken; it was one of those taken before Easter. The Committee have already reported upon it.

Sir Robert Mowbray.

2645. (To Mr. King.) I observe there is a large increase in the amount paid in "Commission on Issue and Payment of Money Orders and Postal Orders"; that is commission paid to the postmasters who issue them?—Yes, for the issue and payment of orders.

2646. Of course that is a great deal more than covered by the commission that the public pay?—Yes.

2647. So that increase in postal order business means an increase of revenue?—Yes, it means an increase of net revenue.

Mr. Brodie Hoare.

2648. Does every postmaster get a commission?—No, only sub-postmasters are paid by commission.

2649. I suppose it would be in cases where they have shops attached, it would not apply to the postmaster in Birmingham, for instance?—No. The head postmasters in large towns are paid an inclusive salary which covers all their work.

2650. Would a post office, which is a post office pure and simple, with no shop attached to it, in a country place be paid by commission?—If it is an important office it probably would be what we call a sub-office paid on the head office system, that is to say paid an inclusive salary to cover all branches of business.

2651. The people who get the commission, as a rule, are those that are tradesmen in addition to being postmasters?—Yes, as a rule.

Mr. Goddard.

2652. Is there a limit placed on the business that these men may do?—There is a departmental limit in this sense: when the total emoluments of the office amount to 150*l.* or 200*l.* a year, then the rule is to consider the question of placing the sub-postmaster on what we call the head office system and giving him an inclusive salary.

2653. That has nothing to do with the commission on stamps?—There is no commission allowed on the sale of stamps.

Mr. Pym.

2654. Can a post office which has a tradesman's shop attached earn as much as 200*l.* a year in commission?—Yes; but then, of course, out of that commission they have to pay their assistants, they provide the staff and the office and its fittings and fuel and light; it is not 200*l.* a year net income. If an office is getting 200*l.* a year, and the sub-postmaster

REVENUE DEPARTMENTS.

Vote 3.—Post Office—continued.

Mr. Pym—continued.

works himself, as a rule his personal emoluments would come to about 70*l.* or 80*l.* a year; very seldom more than that.

Mr. Cameron Corbett.

2655. It would be rather exceptional for a shop post office to earn as much as 200*l.*, would it not?—It is very frequently the case if there is a large telegraph business. Of course it altogether depends upon the circumstances locally; but we find when these offices reach the limit of 200*l.* a year, two-thirds of their earnings as a rule is from telegraph business.

Mr. Pym.

2656. Do they get a commission on the amount of telegraph business they do as well as everything else?—Yes; or rather they do not get it on everything else. The sale of stamps, and the number of registered letters, and the number of parcels, &c., are valued according to a certain standard, and the whole remuneration for those branches of business is merged in the sum for salary. Then, in addition to the salary, they receive commission on postal order business, money order business, savings bank business, and telegraph business.

Mr. Goddard.

2657. Is a sub-postmaster allowed to sell as many stamps as he can?—Yes.

2658. There is no limit placed upon the sale?—No.

Mr. Cameron Corbett.

2659. But he gets no commission on the sale of stamps?—It works into his salary eventually. His salary is revised every three years and if he has sold 1,000*l.* worth of stamps it means a 10*l.* rise in his permanent salary for the next three years.

Mr. Goddard.

2660. Does not a head office in a town rather resent these sub-postmasters selling a larger number of stamps than they are expected to?—I do not think so. The opening of the office is justified if it sells a large number of stamps; it meets the public need.

Sir Brampton Gurdon.

2661. Of course, in a shop where they earn from 150*l.* to 200*l.* there really would be about three or four different people, or even more, engaged?—Yes, there would, probably, be quite that. There would be three fully employed assistants besides the postmaster, so that the net remuneration of each is not excessive.

Chairman.

2672. In regard to Item No. 12 of Sub-Head A., on page 550, "Letter Boxes"; I see you largely exceeded the Estimate by nearly 1,400*l.*; and in the explanation it is accounted for by the establishment of a larger number of road letter boxes; are you following up the same policy of establishing a great quantity of road letter boxes?—We are extending and increasing them; but in this particular year I think

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[Continued.]

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Vote 3.—Post Office—*continued.**Chairman—continued.*

think it would be due in part to work in connection with the Jubilee year concessions, in the way of extension of deliveries and collections. That ran on for some time after the Jubilee year. We are only just through with it, in fact.

2663. It is not an annual increase?—No.

Mr. Pym.

2664. I see an item, No. 4, in Sub-head A., "Trip Allowances, United Kingdom, 37,000*l.*" May I ask what you mean by "Trip Allowances?"—It is a subsistence allowance for a trip between two given points in a railway sorting carriage, for instance from London to Dover. We allow the men so much for the trip.

2665. Is it extra remuneration?—It is over and above their wages. They have to maintain two homes, they have to go down to Dover at night and they must have a room there to sleep in.

2666. It is a sort of lodging allowance?—For lodging and also something for the food that they require on the journey, and while they are away from their homes; it is practically lodging allowance.

2667. Is it a regular sum?—Yes, a regular sum, varying from 3*s.* to 4*s.* 6*d.* a trip.

2668. Whatever the distance is?—No, varying according to the distance.

Chairman.

2669. Have you any general estimate of the increased expenditure which the war in South Africa has caused the Post Office?—No.

2670. You do not propose to furnish the War Office with such an estimate?—We have not been asked to do so, I think.

2671. I see some 885*l.* is put down as Incidental Expenses connected with the Army Post Office in South Africa?—We are not asking the War Office to refund that, it is Post Office work arising out of the war, no doubt.

2672. What I mean is, supposing there was a general estimate of the expense of this war, will the Post Office put in their account, or not?—It would be difficult, but we could estimate it.

2673. However, you have not been asked to do so?—No.

Sir Robert Mowbray.

2674. If you did, would it be the net cost, or would you recover the whole or part of it from the postage receipts?—It would be the gross expenditure.

2675. Which might be, and probably would be, covered by the increase in the postage you have received?—Yes, I think so, seeing that the Post Office pays.

On VOTE 4.

POST OFFICE PACKET SERVICE.

Mr. Brodie Hoare.

2676. In regard to one item C. "America", I see it is said in the explanation that the "saving resulted from, (1) withdrawal of Con-

REVENUE DEPARTMENTS.

Vote 4.—Post Office Packet Service—*continued.**Mr. Brodie Hoare—continued.*

tract Packets for Transport Service, and (2) diversion of Correspondence for Canada and New Zealand from New York route"?—Yes.

2677. But the New Zealand mails still go via San Francisco do they not?—Some of them.

2678. Only some of them?—It is now one week's correspondence in three, and it used to be two weeks in four.

2679. And then for the rest, it does not go through Canada at all?—No, it goes via Brindisi or Naples.

2680. Therefore there is no increased item on the other side to correspond?—No, it is covered by the subsidies to the Peninsular and Oriental and the Orient Companies.

Chairman.

2681. I see on page 569 reference is made to penalties incurred by the contractors for the Dover-Calais service; are those penalties for late delivery of mails?—It was mainly for keeping the steamer waiting after the arrival of the South Eastern train, to await the London Chatham and Dover train on weekdays; they were sending the parcel mails by a London Chatham and Dover train, which was due to arrive a little before the South Eastern letter train; that was all right because the parcels were generally on board before the letter train was in; but on several occasions on Sundays when the London Chatham and Dover train carried no parcels, they kept the steamer waiting. It was on that account that we inflicted the penalty; they kept the steamer to await the arrival of the Chatham and Dover train which brought the Chatham and Dover passengers; they did not keep it really for the parcel mails but for the sake of the passengers.

2682. For that you inflicted a fine?—Yes, because the South Eastern train is the only train we recognise, and within so many moments or so many minutes after the arrival of the South Eastern train the steamer must start or else they incur a penalty.

On VOTE 5.

No questions.

Mr. King withdrew

TREASURY CHEST.

Sir Brampton Gurdon.

2683. (To *Sir E. W. Hamilton.*) I suppose, on account of the production of gold in South Africa, you sent out no specie during the present war to South Africa?—The Bank, which does the business for us, sent out a great deal of specie, I believe.

2684. An honourable Member points out there is an item on page 10 "Freight on Specie"; but that is not as regards South Africa, I suppose; you have raised it all by bill?—Yes.

2685. With

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[Continued.]

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Treasury Chest—continued.

Sir Brampton Gurdon—continued.

2865. What has been the average discount on bills, do you know?—First of all it was 1 per cent., and now it is $\frac{3}{4}$ per cent.

Chairman.

2686. The total loss, on the whole, appears to be 66,107*l.*, is that not so?—That is the net loss.

2687. That is mainly owing, I presume, to the war, because I see 37,437*l.* is for the Cape of Good Hope and 18,180*l.* for Natal?—Yes.

2688. Why is the figure for Hong Kong so high; why was the loss there so considerable?—The exchange is always against us and the complications there, of course, led to an extra number of troops being kept there.

2689. You say the exchange is always against us there?—It has of late been so.

Sir Brampton Gurdon.

2690. I suppose, in peace time, the exchange is in our favour in South Africa now that there is this production of gold there?—Our bills are at a discount of $\frac{3}{4}$ per cent.

2691. That is during the war?—Yes, that is at the present time.

2692. In peace time I should have thought, with the very large production of gold in South Africa, there would always be a premium on bills?—Prior to the war we obtained money at par from the Colonial Government.

Chairman.

2693. Are all the payments made through the South African Bank at the Cape?—The Standard Bank of South Africa.

LOCAL LOANS FUND.

Chairman.

2694. (To Sir E. W. Hamilton.) In paragraph 24 of the Comptroller and Auditor General's Report I see the arrears upon loans to tenants have decreased considerably within the year?—Yes.

Mr. Banbury.

2695. In paragraph 2 of the Comptroller and Auditor General's Report I see it is stated: "Of the total amount of the Loans to the Lending Departments 5,008,072*l.* 18*s.* 9*d.* was lent at $2\frac{1}{4}$ per cent. interest and 2,921,246*l.* 1*s.* 3*d.* at higher rates"; $2\frac{1}{4}$ per cent. interest was rather a low rate, was it not?—Not at the time the loans were made.

2696. It is only a year ago?—These are the loans made in 1899 before the fall in Consols had been very material. The honourable Member will observe that since then the rate has been raised. The next paragraph explains that the rate has been raised twice since the $2\frac{1}{4}$ per cent. rate was the prevalent one.

2697. Whom was this 5,000,000*l.* lent to; was it to local authorities?—Local authorities of various kinds.

2698. The fact being that at that time the local authorities were unable to borrow themselves in the market at anything like $2\frac{1}{4}$ per cent.

0.14.

REVENUE DEPARTMENTS.

Local Loans Fund—continued.

Mr. Banbury—continued.

cent.?—At that time the policy was to encourage them to come to the Government.

2699. Is it the policy of the Government to lend at the present moment?—No, not at the present time.

Sir Brampton Gurdon.

2700. You are now lending at $3\frac{1}{4}$ per cent.?—We are lending at $3\frac{1}{4}$ per cent. as the minimum rate.

CIVIL CONTINGENCIES FUND, 1899–1900.

Chairman.

2701. (To Sir E. W. Hamilton.) On page 9 of this Account I observe there is a charge of 1,941*l.*, "Expenses incurred by the Admiralty in conveying the remains of the late Lord Herschell from New York to England." Is not that a very large sum to have paid?—I am afraid I am no judge of that. It was voted in the House of Commons. It has been repaid to the Civil Contingencies Fund.

2702. Is it possible that it could have cost anything like that amount; were there any exceptional circumstances that made it so high, do you know?—I am afraid I do not know.

2703. (To Mr. Richmond.) Do you know why it was so high?—I remember attention being called to it at the time, but it is not a point upon which I thought I could raise any question.

Mr. Brodie Hoare.

2704. I do not see any Report by the Comptroller and Auditor General upon his account?—It is usual to deal with this matter by brief correspondence between my Department and the Treasury. That correspondence is printed on page 12.

Sir Brampton Gurdon.

2705. (To Sir E. W. Hamilton.) In the correspondence on page 12 I see there was a question as to the repayment of an advance of 500*l.* on account of Crete; it was in obedience with the Cretan Government; has that repayment been made or is it still in debate?—That has not been repaid yet.

2706. It is still outstanding?—It is still outstanding.

2707. Are the arrangements pending?—It is hoped to get the money out of a loan.

CONSOLIDATED FUND.

No questions.

UGANDA RAILWAY ACT, 1896.

Sir Brampton Gurdon.

2708. (To Sir E. W. Hamilton.) Can you explain why this loss by exchange shown on page three is so very large; would it not have been cheaper to have sent out specie from India?—I think this represents an accumulation. I believe there was a certain sum transferred from last year and that is what makes it appear so very large.

B B

2709. It

10 July 1901.]

Sir E. W. HAMILTON, K.C.B., and Mr. RICHMOND.

[Continued.]

REVENUE DEPARTMENTS.

Uganda Railway Act, 1896.

Sir *Brampton Gurdon*—continued.

2709. It is the rupee currency there, is it not?—Yes.

2710. So that, of course, rupees could have been sent from India at a comparatively small charge for freight?—Yes.

Chairman.

2711. The question that was mentioned in the Public Accounts Committee last year about creating terminable annuities for the repayment of loans has been settled by the opinion of the Law Officers of the Crown in favour of the practice of the Treasury, has it not?—Yes.

2712. That is a settled question now?—Yes.

Mr. Pym.

2713. I see on the first page of the Account, "Balance of Expenditure in excess of issue, 31,457*l.*" The amount of the "authorised issue" was 3,000,000*l.*, and there appears to have been spent 3,031,000*l.*; has that balance of expenditure in excess of issue, 31,000*l.*, been since authorised?—Yes, by a subsequent Act of Parliament.

2714. Are they raising any further money for the purpose of finishing this railway?—Yes, I think the sum is 2,000,000*l.*; you will see it is mentioned in the Report, on page 4; it is 1,930,000*l.*

REVENUE DEPARTMENTS.

ROYAL NIGER COMPANY ACT, 1899.

Mr. Brodie Hoare.

2715. (To Mr. *Richmond*.) This Royal Niger business is entirely settled now, is it not?—Yes, this is the first and final Report.

CLASS III.

VOTE 9.

BROADMOOR CRIMINAL LUNATIC ASYLUM.

Chairman.

2716. (To Sir *E. W. Hamilton*.) I think you wish to add something in regard to the Vote for Broadmoor Lunatic Asylum?—Yes. Some honourable Members asked me one or two questions about the Broadmoor Lunatic Asylum Farm. I do not think my answers to the questions were quite accurate. I really was not acquainted with the facts at the time, and I should like, with the permission of the Committee, to hand in a short memorandum which will put the thing right.

2726. Will you hand that in?—Yes (*the same was handed in*).

[The Witnesses withdrew.]

A P P E N D I X.

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APPENDIX.

(18,916/1900.)

APPENDIX, No. 1.

PAPER handed in by Sir E. Hamilton, K.C.B.

TREASURY MINUTE on so much of the Reports of the Committee of Public Accounts, 1900, as deals with Army and Navy Accounts.

5 December 1900.

MY Lords have before them paragraph 2 of the First Report and paragraphs 1 to 14 of the Second Report of the Committee of Public Accounts, 1900, relating to Army and Navy Accounts for the year ended 31st March 1899, and are pleased to give the following directions thereon :—

1. Write to the Secretary of the Admiralty :

Sir,

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to transmit, for the information of the Lords Commissioners of the Admiralty, paragraphs 1-9 of the Second Report of the Public Accounts Committee, 1900, relative to Navy Accounts for the year ended 31st March 1899, and to communicate to you the following observations of this Board thereon.

Paragraph 1. The Committee draw attention to the very large extent to which extra time was worked by wages men at the Home Dockyards in 1898-99. My Lords understand that this important question has been the subject of special inquiry, and they will be glad to learn whether, as a result, the Lords Commissioners of the Admiralty consider that additional measures should be taken with the object of so controlling and checking payments for overtime as to obviate the attendant danger of abuse of the system, particularly towards the close of a financial year.

Paragraphs 2 and 3. My Lords still await a reply to the Treasury letter of 28th March 1899 on the subject of penalty clauses in armour contracts.

As regards torpedo-boat destroyers and guns, penalties can be inflicted under existing contracts ; and it is for the Board of Admiralty in the first instance to decide, on administrative grounds involving the general interests of the Naval service, whether adequate reasons of policy exist for not claiming the covenanted penalties to which contractors have rendered themselves liable by delays in delivery.

My Lords will be glad to receive an expression of Admiralty views on the important subjects above referred to.

Paragraph 4. The Admiralty and the Treasury are in accord with the Committee in regarding it as essential that demands for stores required for ships in course of construction should as far as practicable relate to specific ships. In the case of the surplus copper sheets and nails for the "Argonaut," "Ariadne," and "Amphitrite," although considerable irregularity occurred (i.) in overdrawing these valuable stores, and (ii.) in transferring them in account from ship to ship, there was no ultimate loss to the public inasmuch as the surplus issues had been throughout under safe custody in a "Deposit Store," and were thence returned to the store officer's charge. So far as the case goes, it tends to support the experimental institution of "Deposit Stores" for the safeguarding, pending actual use, of valuable stores issued from the Store Department to the constructors. I am to inquire whether it is considered advisable to extend experimentally the principle of store custody, so far as valuable articles are concerned, to stores after their issue in bulk for ships building or under repair.

Paragraph 5. The question of Naval Works Stores has been referred by the Board of Admiralty to an Inter-Departmental Committee ; and My Lords will await an expression of Admiralty views on that Committee's Report, when it has been received and considered.

No observations arise on the remaining paragraphs of the Public Accounts Committee's Report, which relate to Navy Accounts.

The Net Surplus of 247,524*l.* 8*s.* 1*d.*, shown on the Navy Account for 1898-99, was surrendered to the Exchequer by write-off from Navy Grants in March last.

I have the honour to be,

Sir,

Your obedient Servant,

2. Write to the Financial Secretary, War Office.

Sir,

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to transmit, for the information of the Secretary of State for War, paragraph 2 of the First Report, and paragraphs 10 to 14 of the Second Report of the Public Accounts Committee, 1900, relative to Army Accounts for the year ended 31st March 1899, and to communicate to you the following observations of this Board thereon.

Paragraph 10. My Lords request that steps may be taken to ascertain as closely as possible the charge borne by Army Votes in respect of the occupation of Crete. In accordance with the undertaking given on behalf of the Treasury (Q. 2185-7), their Lordships contemplate laying before Parliament a general statement showing the total expense of the Cretan operations to public funds as a whole, including War Office Votes.

Paragraph 11. As regards the final out-turn of Army Votes for the year to 31st March 1899, the position is as follows :

	£	s.	d.
Excess of Gross Expenditure shown on the Appropriation Account - - -	168,170	2	6
Deduct, further Appropriations-in-Aid (Excess Estimate of 8th March 1900) - -	168,070	2	6
Net amount voted on the same Estimate - - - - -	100	-	-

This completed the adjustment of the Account so far as expenditure was concerned.

But, in addition to the above sum of 168,070*l.* 2*s.* 6*d.*, the Army Extra Receipts (177,297*l.* 6*s.* 3*d.* in all) showed a surplus of 9,227*l.* 3*s.* 9*d.*, which amount was duly surrendered to the Exchequer by a write-off from Army Grants in March last, before the Committee had disallowed the sum of 191*l.* 14*s.* 11*d.* on Vote 9.

My Lords are giving directions for the further surrender of this latter sum.

Paragraph 12. In regard to the question of duplication of clerical work in the Buildings Works Department and Central Office of the Ordnance Factories, My Lords will be glad to be favoured with the views of the Secretary of State for War.

The surplus to be carried to the Supplies Suspense Account of the Factories is 421*l.* 10*s.* 9*d.*

Paragraph 13. My Lords concur in the opinion of the Committee that the Factories and not the Admiralty should have borne the net loss on the manufacture for the Admiralty of the rejected powder in question.

I have the honour to be,
Sir,
Your obedient Servant,

Let the further sum of 191*l.* 14*s.* 11*d.*, disallowed on Army Vote 9 by the Public Accounts Committee, be surrendered by write-off from the Exchequer Grant for Army Services, 1899-1900.

Write to the Comptroller and Auditor General.

Sir,

I AM commanded by the Lords Commissioners of Her Majesty's Treasury to transmit herewith, for your information, a copy of their Minute on the Reports of the Public Accounts Committee, 1900, so far as they relate to the Army and Navy Accounts for the year ended 31st March 1899.

I have the honour to be,
Sir,
Your obedient Servant,

APPENDIX, No. 2.

PAPER handed in by *Sir E. Hamilton, K.C.B.*

TREASURY MINUTE, dated the 28th November 1900, on the Reports relating to Civil and
Miscellaneous Accounts, 1898-99.

(18,499-00.)

1. My Lords read the First and Second Reports of the Public Accounts Committee, 1900, so far as they refer to the Civil Service, Revenue Departments, and Miscellaneous Accounts, 1898-99.

FIRST REPORT.

2. The excess over the Grant for Prisons, England and the Colonies, 1898-99, was made good by a Vote taken in March 1900 (House of Commons Paper, 87, of 1900).

SECOND REPORT.

Civil Service Appropriation Accounts.

3. The observations of the Committee in this Report relate to the accounts of only two of the Votes for Civil Services. In the course of evidence before the Committee, however, questions were raised in connection with other Votes with which My Lords propose to deal.

Class I., Vote 9.

4. Write to the Secretary, Board of Agriculture.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to request that you will call the attention of the Board of Agriculture to the discussion by the Public Accounts Committee last Session of the system of sale of Ordnance Survey Maps. (House of Commons Paper, 298, of 1900, Questions 1660-67).

My Lords will be glad to receive the observations of your Board upon the working of the arrangements which were adopted upon the Report of the Departmental Committee in 1896.

I am, &c.

Class I., Vote 12.

5. The annual contribution of 10,000*l.* to the expenses of the Metropolitan Fire Brigade is included in the Question Estimates and voted by Parliament in accordance with the intention expressed in Section 18 of the Metropolitan Fire Brigade Act, 1865 (28 & 29 Vict. c. 90). The circumstances which originally justified the payment have since been materially changed, as full contributions are now made to local rates in respect of the Government offices in the Metropolitan area, which was not the case in 1865. But the whole system under which taxation is raised for local purposes is at present the subject of inquiry by a Royal Commission, and my Lords are of opinion that the question of reducing or discontinuing the Fire Brigade contribution cannot advantageously be considered pending the Report of that Commission.

Class II., Vote 37.

6. Write to the Commissioners of Public Works, Ireland.

Gentlemen,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit, for your observations, the enclosed copy of a paragraph in the Second Report of the Public Accounts Committee, 1900, referring to a sum of 70*l.* 2*s.* 7*d.*, the balance of the deposits lodged by certain Drainage District Boards, which was included among the Appropriations-in-Aid of the Vote for your Office, 1898-99.

The general facts of the case were made clear by a correspondence which passed between your Board and the Treasury in 1895. It then appeared that you had made a practice of defraying out of the moneys deposited with you by Drainage District Boards your expenses for advertising, for use of court houses, copying of maps, preparation of schedules and other purposes incidental to inquiries held by you under the Drainage Acts; but that you had never charged the travelling and other expenses of the Commissioners and their staff engaged on the inquiries. In reply, it was pointed out by Treasury Letter of the 16th September 1895 (13,451/95) that Section 29 of the Drainage and Improvement of Lands Act, 1863 (26 & 27 Vict. c. 88) required that "all costs, charges and expenses (if any) which shall be incurred by the said Commissioners in the exercise of the powers vested in them under this Act shall be paid by the Drainage Board," and you were requested for the future to bring your practice into strict conformity with the Act.

My Lords understand that the sum of 70*l.* 2*s.* 7*d.* now in question is made up of small balances remaining on Drainage Deposits after the payment of such expenses as it was your practice to charge before 1895, and that these balances were paid into the Account of the Vote because they were not more than sufficient to cover the remaining expenses which you were required to charge by the Act of 1863.

If such be the case, My Lords are of opinion that the appropriation of these sums was not only justifiable, but obligatory under the Act. They presume that, before directing payment to the Vote Account, you satisfied yourselves, as regards each particular district, that the charges incurred and not already repaid were at least equal to the balance remaining on the deposit.

I am, &c.

Class IV., Vote 11.

Questions
2172-6.

7. Objection was raised to the description of the whole provision for the National Gallery, &c., Scotland, as a "Grant in Aid" on the ground that it includes the Annuity of 2,000*l.* payable to the Board of Manufactures under the Treaty of Union. That Annuity has been included as part of the Grant in Aid in the Estimates since 1892-93. On the Account of the Vote for that year the arrangement was considered by the Public Accounts Committee of 1894, in connection with the question of audit of the expenditure out of the Vote. The Committee reported in favour of the provision under Sub-head A. (including the Union Annuity) being taken as a Grant in Aid. (Third Report, para. 55.) The use of the term "Grant in Aid" in the Votes of Parliament is now well understood, and My Lords see no reason why that term should not continue to be applied to the Union Annuity.

Class V., Vote 3.

8. Write to the Under Secretary of State, Colonial Office.

Sir

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit, to be laid before the Secretary of State for the Colonies, the enclosed extract from the Second Report of the Public Accounts Committee, 1900, relating to the accounts of expenditure out of the Hurricane Relief Grant of 40,000*l.* to Barbados in 1898-99.

I am, &c.

UGANDA RAILWAY ACT, 1896.

9. On the question whether the provisions of this Act are complied with in the arrangements which have been made for the provision by the National Debt Commissioners of funds required for the purposes of the Act, My Lords caused a case to be submitted for the opinion of the Law Officers of the Crown. The Law Officers give it as their opinion that the procedure prescribed by the Treasury Minute of the 15th August 1896 is unobjectionable, and is not in violation of the Act 59 & 60 Vict. c. 38.

The arrangements embodied in the Treasury Minute referred to were as follows:—

- "1. The National Debt Commissioners will be asked to make the advances out of funds available in their hands for investment on the security of Terminable Annuities expiring in 30 years from the date of the passing of the Act." (14th August 1896.)
- "2. The rate of interest with which the advances are repaid will be fixed at the time of each advance by the Treasury, with the concurrence of the National Debt Commissioners."
- "3. A single annuity will be calculated at the end of each calendar year to repay the sums borrowed during that year."
- "4. Provision for such annuity will be made in the Vote for British Protectorates . . . for the ensuing financial year."

10. Write to the National Debt Commissioners.

My Lords and Gentlemen,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit, for your information, the enclosed extract from the Second Report of the Public Accounts Committee, 1900, respecting the arrangements under which moneys have been advanced by your Board for the purposes of the Uganda Railway Act, 1896, and also a copy of paragraph 9 of the Treasury Minute of the 28th November 1900 on that Report.

I am, &c.

11. Write to the Comptroller and Auditor General.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit, for your information, the enclosed copy of their Minute, dated the 28th November 1900, on the First and Second Reports of the Public Accounts Committee, 1900, so far as they relate to the Civil Service, Revenue Departments, and Miscellaneous Accounts for 1898-99.

I am, &c.

APPENDIX, No. 3.

PAPER handed in by Sir *E. W. Hamilton*, K.C.B.

1898-99.

Comparison of Audited Expenditure with Exchequer Issues and General
Abstract of Appropriation Accounts.

20 *March* 1901.

APPENDIX, No. 3.

PAPER handed in by Sir E. W. Hamilton, K.C.B.

1898-99.

COMPARISON OF AUDITED EXPENDITURE WITH EXCHEQUER ISSUES
AND
GENERAL ABSTRACT OF APPROPRIATION ACCOUNTS.

(After Audit by the Comptroller and Auditor General, and Review by the Public Accounts Committee
of the House of Commons.)

Treasury, March 1901.

COMPARISON of AUDITED EXPENDITURE in 1898-99 with EXCHEQUER ISSUES for that Year.

	Exchequer Issues.	Audited Expenditure (Net).	Audited Expenditure (Net).	
			Less than Exchequer Issues.	More than Exchequer Issues.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.
CONSOLIDATED FUND SERVICES - -	27,044,235 15 9	27,044,235 15 9	—	—
ARMY (including ARMY PURCHASE COM- MISSION) - - - - -	19,999,700 - -	20,096,181 1 4	—	96,481 1 4
ARMY ORDNANCE FACTORIES - - -	300 - -	* 221 10 9	521 10 9	—
NAVY - - - - -	24,068,000 - -	23,880,875 11 11	187,124 8 1	—
	44,068,000 - -	43,976,835 2 6	187,645 18 10	96,481 1 4
CIVIL SERVICES - - - - -	22,025,000 - -	22,079,885 18 6	—	54,885 18 6
REVENUE DEPARTMENTS - - - -	15,013,000 - -	15,012,530 3 5	469 16 7	—
TOTAL - - - £.	108,150,235 15 9	108,113,487 - 2	188,115 15 5	151,366 19 10
			151,366 19 10	
		£.	36,748 15 7	

* Surplus of Appropriations in Aid over Gross Expenditure.

1898-99.

GENERAL ABSTRACT OF APPROPRIATION ACCOUNTS.

(After Audit by the Comptroller and Auditor General, and Review by the Public Accounts Committee of the House of Commons.)

S E R V I C E.		Grants and Estimated Receipts, 1898-99.				Expenditure, 1898-99.				Differences between Exchequer Grants and Net Expenditure. (Columns 8 and 6.)								
		Estimated Gross Expenditure.		Estimated Receipts in Aid of Grants.		Exchequer Grants.		Gross Expenditure.	Actual Receipts in Aid.	Net Expenditure.	Surpluses. (7.)	Deficits. (8.)						
		£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.			s. d.					
Army	- - - - -	23,724,599	- - -	3,619,099	- - -	20,105,500	- - -	* 23,892,577	7 7	3,796,396	6 3	20,096,181	1 4	9,318	18 8	-		
Army (Ordnance Factories)	- - - - -	3,323,000	- - -	3,322,800	- - -	200	- - -	3,273,058	17 10	3,273,280	8 7	+ 221	10 9	421	10 9	-		
Navy	- - - - -	25,123,822	- - -	995,422	- - -	24,128,400	- - -	24,935,358	1 9	1,054,482	9 10	23,880,875	11 11	247,524	8 1	-		
TOTAL, NAVAL AND MILITARY SERVICES - - £.		52,171,421	- - -	7,937,321	- - -	44,234,100	- - -	52,100,994	7 2	8,124,159	4 8	43,976,835	2 6	257,264	17 6	-		
Civil Services :																		
Class I	- - - - -	2,038,677	- - -	78,220	- - -	1,960,457	- - -	2,005,871	15 5	94,768	13 8	1,911,103	1 9	49,353	18 3	-		
"	- - - - -	2,523,977	- - -	336,615	- - -	2,187,362	- - -	2,478,536	13 8	373,245	15 8	2,105,290	18 -	82,071	2 -	-		
"	- - - - -	4,438,791	- - -	673,121	- - -	3,765,670	- - -	4,378,278	9 2	723,761	6 11	3,654,517	2 3	111,152	17 9	-		
"	- - - - -	12,054,156	- - -	71,560	- - -	11,977,596	- - -	12,027,311	4 7	76,913	9 -	11,950,397	15 7	27,198	4 5	-		
"	- - - - -	1,794,615	- - -	123,620	- - -	1,670,995	- - -	1,737,861	7 2	131,271	12 7	1,606,589	14 7	64,405	5 5	-		
"	- - - - -	775,754	- - -	182	- - -	775,572	- - -	766,538	7 10	171	12 1	766,366	15 9	9,205	4 3	-		
"	- - - - -	111,726	- - -	7,100	- - -	104,626	- - -	92,995	18 2	7,375	7 7	85,620	10 7	19,005	9 5	-		
TOTAL, CIVIL SERVICES - - £.		23,737,696	- - -	1,295,418	- - -	22,442,278	- - -	23,487,393	16 -	1,407,507	17 6	22,079,885	18 6	362,392	1 6	-		
Carried forward - - -																		
														66,056,721	1 -	619,656	19 -	-

* The Gross Expenditure in Excess of the Estimate, as shown on the Appropriation Account, was met by a Nominal Excess Vote of 100*l.* and Appropriations in Aid to the amount of 168,070*l.* 2*s.* 6*d.* (House of Commons Paper, No. 90, of 1900), but Expenditure to the amount of 191*l.* 1*s.* 11*d.* was subsequently disallowed by the Public Accounts Committee.

† Surplus of Appropriations in Aid over Gross Expenditure.

1898-99—continued.

GENERAL ABSTRACT OF APPROPRIATION ACCOUNTS—continued

(After Audit by the Comptroller and Auditor General, and Review by the Public Accounts Committee of the House of Commons)—continued.

S E R V I C E.	Grants and Estimated Receipts, 1898-99.				Expenditure, 1898-99.			Differences between Exchequer Grants and Net Expenditure. (Columns 3 and 6.)		
	Estimated Gross Expenditure. (1.)	Estimated Receipts in Aid of Grants. (2.)	Exchequer Grants. (3.)	Gross Expenditure. (4.)	Actual Receipts in Aid. (5.)	Net Expenditure. (6.)	Surpluses. (7.)	Deficits. (8.)		
Brought forward . . .	£. s. d. 75,908,117 - -	£. s. d. 9,232,739 - -	£. s. d. 66,676,378 - -	£. s. d. 75,588,388 3 2	£. s. d. 9,531,667 2 2	£. s. d. 66,056,721 1 -	£. s. d. 619,656 19 -	£. s. d. - -		
Revenue Departments :										
Customs . . .	900,050 - -	44,450 - -	855,600 - -	885,075 12 2	44,393 19 2	840,681 13 -	14,918 7 -	- -		
Inland Revenue . . .	1,998,323 - -	18,000 - -	1,980,323 - -	1,988,541 6 -	14,082 - 1	1,974,459 5 11	5,863 14 1	- -		
Post Office . . .	8,225,425 - -	126,675 - -	8,098,750 - -	8,161,727 8 5	136,047 4 5	8,025,680 4 -	73,069 16 -	- -		
Post Office Telegraph Service . . .	3,440,475 - -	70,840 - -	3,369,635 - -	3,418,084 14 5	67,745 7 6	3,350,339 6 11	19,285 13 1	- -		
Post Office Packet Service . . .	1,007,424 - -	183,074 - -	824,350 - -	1,003,491 10 3	182,121 16 8	821,369 13 7	2,980 6 5	- -		
TOTAL, REVENUE DEPARTMENTS . . . £.	15,571,697 - -	443,039 - -	15,128,668 - -	15,456,920 11 3	444,390 7 10	15,012,530 3 5	116,127 16 7	- -		
TOTAL FOR VOTED SERVICES . . . £.	91,480,814 - -	9,675,778 - -	81,805,036 - -	91,045,308 14 5	9,976,057 10 -	81,069,251 4 5	735,784 15 7	- -		
Consolidated Fund :					Estimated Expenditure.		Less than Estimate.	More than Estimate.		
Permanent Charge of Debt . . .	- - -	- - -	- - -	- - -	£. s. d. 25,000,000 - -	- - -	- - -	- - -		
(Other Consolidated Fund Services . . .	- - -	- - -	- - -	- - -	2,010,000 - -	2,044,235 15 9	- - -	34,235 15 9		
TOTAL OF CONSOLIDATED FUND SERVICES . . . £.	- - -	- - -	- - -	- - -	27,010,000 - -	27,044,235 15 9	- - -	34,235 15 9		
GRAND TOTAL OF EXPENDITURE . . . £.	- - -	- - -	- - -	- - -	- - -	108,113,487 - 2	- - -	- - -		

The Sums written off from EXCHEQUER GRANT ACCOUNTS together with the Sums paid to the EXCHEQUER, in respect of SAVINGS on VOTES and APPROPRIATIONS in AID realised, in excess of Estimate, for the Year 1898-99, amounted to 735,473*l.* 4*s.* 10*d.*

	In the Financial Year			
	1899-1900.		1900-1901.	
	£.	s. d.	£.	s. d.
Written off from Exchequer Grant Accounts out of Ways and Means of 1898-99	217,340	17 6	—	—
Ditto . . ditto . . ditto . . 1899-1900 . .	487 201	2 11	34,768	18 5
Ditto . . ditto . . ditto . . 1900-1901 . .	—	—	22 19	11
Paid to the Exchequer by the Paymaster General	16,029	6 1	—	—
£.	700,571	6 6	34,791	18 4

735,363 4 10

Transferred to the Army (Ordnance Factories) Supplies Suspense Account

421 10 9

Total Surpluses (as above) Col. 7

735,784 15 7

Nominal Excess Votes taken in March 1900, in respect of the Year 1898-99 (Army 100*l.*, Civil Services 10*l.*) written off from Exchequer Grant Accounts out of Ways and Means of 1899-1900

110 - -

£. 735,894 15 7

CIVIL SERVICES.

1898-99.

ABSTRACT STATEMENT showing the APPROPRIATION of GRANTS, and RECEIPTS in AID of GRANTS, for the undermentioned CIVIL SERVICES, after Audit by the Comptroller and Auditor General, and Review by the Public Accounts Committee of the House of Commons, for the Year ended 31st March 1899; and the Amounts of the UNEXPENDED BALANCES or DEFICIENCIES arising upon the same.

Number of Vote.	SERVICE.	Reference to detailed Account in Parliamentary Paper, No. 19, of 1900.	Grants and Estimated Receipts, 1898-99.			Expenditure, 1898-99.			Differences between Exchequer Grants and Net Expenditure.											
			Estimated Gross Expenditure.	Estimated Receipts in Aid of Grants.	Exchequer Grants.	Gross Expenditure.	Actual Receipts in Aid.	Net Expenditure.	Surpluses.	Deficits.										
											(1.)	(2.)	(3.)	(4.)	(5.)	(6.)	(7.)	(8.)		
		Page.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.						
CLASS I.																				
PUBLIC WORKS AND BUILDINGS.																				
1	Royal Palaces and Marlborough House	3	63,410	-	-	63,000	-	-	63,023	3	8	302	17	5	279	13	9	-		
2	Royal Parks and Pleasure Gardens	7	120,352	-	-	115,000	-	-	119,908	6	5	6,419	19	10	1,511	13	5	-		
3	Houses of Parliament Buildings	15	34,300	-	-	34,000	-	-	34,170	2	4	316	10	1	33,853	12	3	-		
4	Miscellaneous Legal Buildings, Great Britain	19	55,250	-	-	54,000	-	-	53,245	14	3	2,395	10	10	50,850	3	5	-		
5	Art and Science Buildings, Great Britain	27	30,030	-	-	30,000	-	-	29,810	9	6	846	-	2	28,964	9	4	-		
6	Diplomatic and Consular Buildings	33	70,600	-	-	70,100	-	-	68,230	16	6	1,241	7	4	66,989	9	2	-		
7	Revenue Buildings, Great Britain	41	360,400	-	-	356,000	-	-	357,680	10	9	6,597	10	5	351,083	-	4	-		
8	Public Buildings, Great Britain	72	285,600	-	-	271,000	-	-	278,185	7	2	18,454	5	11	259,731	1	3	-		
9	Surveys of the United Kingdom	83	233,955	-	-	209,672	-	-	233,176	7	5	30,457	6	11	202,719	-	6	-		
10	Harbours in the United Kingdom and Lighthouses Abroad, under the Board of Trade	86	25,172	-	-	22,497	-	-	24,121	14	2	2,963	15	9	21,157	18	5	-		
11	Peterhead Harbour	89	22,000	-	-	22,000	-	-	21,949	2	2	-	-	-	21,949	2	2	-		
12	Rates on Government Property	91	431,623	-	-	414,003	-	-	428,085	8	5	17,408	18	6	410,676	9	11	-		
13	Public Works and Buildings, Ireland	94	213,778	-	-	206,978	-	-	202,409	18	-	7,364	10	6	195,045	7	6	-		
14	Railways, Ireland	108	92,207	-	-	92,207	-	-	91,874	14	8	-	-	-	91,874	14	8	-		
TOTAL			2,038,677	-	-	1,960,467	-	-	2,005,871	15	5	94,768	13	8	1,911,103	1	9	-		
															49,353			18	3	-

CLASS II.

SALARIES AND EXPENSES OF CIVIL DEPARTMENTS.

United Kingdom and England.

	House of Lords Offices	117	42,107	23,000	14,107	41,342	7 11	38,130	- 3	3,212	7 8	10,894	12 4
1	House of Commons Offices	120	58,005	28,000	30,005	55,747	10 -	36,382	9 9	19,365	- 3	10,639	19 9
2	Treasury and Subordinate Departments	122	92,540	3,100	89,440	91,045	16 2	3,117	12 4	87,928	3 10	1,511	16 2
3	Home Office	126	135,156	7,000	128,156	128,508	12 8	8,715	18 10	119,792	13 10	8,363	6 2
4	Foreign Office	131	77,021	650	76,371	76,501	13 -	768	1 6	75,733	11 6	637	8 6
5	Colonial Office	133	45,650	-	45,650	45,208	1 9	-	-	45,208	1 9	441	18 3
6	Privy Council Office	135	13,755	1,500	12,255	13,150	6 11	2,334	17 -	10,815	9 11	1,439	10 1
7	Board of Trade	137	198,489	8,945	189,544	193,443	12 7	15,289	7 10	178,154	4 9	11,389	15 3
8	Mercantile Marine Fund (Grant in Aid)	142	47,525	-	47,525	47,525	-	-	-	47,525	-	-	-
9	Bankruptcy Department of the Board of Trade	161	10	-	10	-	-	-	-	-	-	10	-
10	Board of Agriculture	167	113,226	7,500	105,726	109,235	8 -	10,422	- 1	98,813	7 11	6,912	12 1
11	Charity Commission	172	40,787	-	40,787	40,281	- 6	-	-	40,281	- 6	505	19 6
12	Civil Service Commission	175	41,747	-	41,747	41,300	14 5	-	-	41,300	14 5	446	5 7
13	Exchequer and Audit Department	177	64,263	3,529	60,734	62,348	1 1	3,529	-	58,819	1 1	1,914	18 11
14	Friendly Societies' Registry	179	8,159	-	8,159	6,968	4 -	-	-	6,968	4 -	1,190	16 -
15	Local Government Board	181	201,885	4,800	197,085	199,610	2 11	4,858	15 9	194,751	7 2	2,333	12 10
16	Lunacy Commission	185	15,547	1,115	14,432	15,001	6 3	1,432	8 5	13,568	17 10	863	2 2
17	Mint, including Coinage	187	110,202	110,100	102	109,956	2 5	110,100	-	*143	17 7	245	17 7
18	National Debt Office	192	16,403	2,041	14,362	16,044	3 9	2,240	2 1	13,804	1 8	557	18 4
19	Public Record Office	194	24,263	-	24,263	24,250	11 4	-	-	24,250	11 4	12	8 8
20	Public Works Loan Commission	196	9,995	8,000	1,995	9,940	2 2	8,000	-	1,940	2 2	54	17 10
21	Registrar General's Office	198	47,382	7,400	39,982	45,820	13 2	8,472	14 -	37,347	19 2	2,634	- 10
22	Stationery and Printing	200	665,690	95,155	570,535	665,585	2 2	96,198	4 1	569,386	18 1	1,148	1 11
23	Office of Woods, Forests, and Land Revenues, &c.	204	21,405	-	21,405	20,475	15 3	-	-	20,475	15 3	929	4 9
24	Office of Works and Public Buildings	206	56,094	-	56,094	55,105	10 -	-	-	55,105	10 -	988	10 -
25	Secret Service	210	30,000	-	30,000	25,223	16 10	-	-	25,223	16 10	4,776	3 2
26													
<i>Scotland.</i>													
27	Office of the Secretary for Scotland	212	13,100	-	13,100	12,827	13 7	-	-	12,827	13 7	272	6 5
28	Fishery Board for Scotland	214	28,479	-	28,479	28,463	- 9	-	-	28,463	- 9	15	19 3
29	Lunacy Commission	217	6,062	450	5,612	6,032	3 3	520	6 -	5,511	17 3	100	2 9
30	Registrar General's Office	219	5,941	700	5,241	5,373	10 4	809	7 -	4,564	3 4	676	16 8

* Surplus of Appropriations in Aid over Gross Expenditure.

<i>Ireland.</i>		304	62,660	—	290	—	62,660	—	61,546	18	6	293	2	8	61,253	15	10	1,408	4	2
14	Law Charges and Criminal Prosecutions																			
15	Supreme Court of Judicature and other Legal Departments																			
16	Irish Land Commission	307	110,479	—	2,550	—	107,929	—	109,180	16	11	2,172	12	—	107,008	4	11	920	15	1
17	County Court Officers, &c.	311	135,085	—	15,694	—	119,341	—	130,167	2	5	15,694	—	—	114,473	2	5	4,867	17	7
18	Dublin Metropolitan Police	314	115,151	—	2,000	—	113,151	—	113,469	8	2	3,615	—	2	109,854	8	—	3,296	12	—
19	Constabulary	317	148,089	—	52,136	—	95,953	—	145,257	19	9	52,324	2	—	92,933	17	9	3,019	2	3
20	Prisons	320	1,377,112	—	22,555	—	1,354,557	—	1,362,653	12	4	26,552	2	—	1,336,101	10	4	18,455	9	8
21	Reformatory and Industrial Schools	323	117,196	—	3,100	—	114,096	—	109,358	9	3	4,294	11	4	105,063	17	11	9,032	2	1
22	Dundrum Criminal Lunatic Asylum	332	112,064	—	990	—	111,104	—	112,051	10	4	1,005	17	10	111,045	12	6	58	7	6
			6,465	—	—	—	6,455	—	6,433	2	—	159	8	7	6,273	13	5	181	6	7
	TOTAL	—	4,438,791	—	673,121	—	3,765,670	—	4,378,278	9	2	723,761	6	11	3,654,517	2	3	111,152	17	9
CLASS IV.																				
EDUCATION, SCIENCE AND ART.																				
<i>United Kingdom and England.</i>																				
1	Public Education, England and Wales	341	8,520,175	—	—	—	8,520,175	—	8,519,885	4	10	—	—	—	8,519,885	4	10	289	15	2
2	Department of Science and Art	344	607,281	—	6,500	—	600,781	—	606,392	10	—	6,286	3	8	600,106	6	4	674	13	8
3	British Museum	357	169,105	—	6,825	—	162,280	—	169,093	16	10	7,527	2	4	161,566	14	6	713	5	6
4	National Gallery	361	28,374	—	1,300	—	28,074	—	28,966	19	7	1,093	17	6	27,273	2	1	890	17	11
5	National Portrait Gallery	364	6,025	—	—	—	6,025	—	5,988	2	—	—	—	—	5,988	2	—	36	18	—
6	Wallace Gallery	366	5,927	—	—	—	5,927	—	4,606	8	9	—	—	—	4,606	8	9	1,320	11	3
7	Scientific Investigation, &c., United Kingdom	368	28,452	—	—	—	28,452	—	28,435	7	7	—	—	—	28,435	7	7	16	12	5
8	Universities and Colleges, Great Britain, and Intermediate Education, Wales	371	104,507	—	—	—	104,507	—	104,364	9	5	—	—	—	104,364	9	5	142	10	7
9	London University	373	17,460	—	17,445	—	15	—	17,397	14	5	17,445	—	—	*47	5	7	62	5	7
10	Public Education	376	1,281,867	—	—	—	1,281,867	—	1,278,597	3	8	—	—	—	1,278,597	3	8	3,269	16	4
11	National Gallery, &c., Scotland	379	4,400	—	—	—	4,400	—	4,400	—	—	—	—	—	4,400	—	—	—	—	—
<i>Ireland.</i>																				
12	Public Education, Ireland	381	1,245,484	—	38,750	—	1,226,734	—	1,245,880	18	10	39,006	5	6	1,206,874	13	4	19,859	6	8
13	Endowed Schools Commissioners	390	905	—	—	—	905	—	903	9	7	—	—	—	903	9	7	1	10	5
14	National Gallery of Ireland	392	2,504	—	—	—	2,504	—	2,493	19	1	—	—	—	2,493	19	1	10	—	11
15	Queen's Colleges, Ireland	394	10,690	—	5,740	—	4,950	—	9,905	—	—	4,955	—	—	4,950	—	—	—	—	—
	TOTAL	—	12,054,156	—	76,560	—	11,977,596	—	12,027,311	4	7	76,913	9	—	11,950,397	15	7	27,198	4	5

* Surplus of Appropriations in Aid over Gross Expenditure.

† The Gross Expenditure in excess of the Estimate was met by a Nominal Excess Vote of 10*l.*, and Appropriations in Aid to the amount of 3,379*l.* 5*s.* 4*d.* (House of Commons Paper, No. 87, of 1900.)

ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31st March 1898—continued

Number of Vote.	SERVICE.	Reference to detailed Account in Parliamentary Paper, No. 19, of 1900.	Grants and Estimated Receipts, 1898-99.			Expenditure, 1898-99.			Differences between Exchequer Grants and Net Expenditure.	
			Estimated Gross Expenditure.	Estimated Receipts in Aid of Grants.	Exchequer Grants.	Gross Expenditure.	Actual Receipts in Aid.	Net Expenditure.	Surpluses.	Deficits.
			£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	(7.)	(8.)
		Page.								
	CLASS V.									
	FOREIGN AND COLONIAL SERVICES.									
1	Diplomatic and Consular Services	404	592,220 - -	100,620 - -	491,600 - -	571,116 8 10	108,271 12 7	462,844 16 3	28,755 3 9	-
2	Uganda, Central and East Africa									
3	Protectorates and									
4	South Africa	424	523,463 - -	- - -	523,463 - -	523,462 15 -	- - -	523,462 15 -	- 6 -	-
5	"		534,606 - -	- - -	534,606 - -	500,028 16 6	- - -	500,028 16 6	34,577 3 6	-
6	"	445	33,000 - -	- - -	33,000 - -	33,000 - -	- - -	33,000 - -	- - -	-
7	Subsidies to Telegraph Companies	453	1,112 - -	- - -	1,112 - -	39 18 -	- - -	39 18 -	1,072 2 -	-
	Treasury Chest Fund	455	98,100 - -	23,000 - -	75,100 - -	98,100 - -	23,000 - -	75,100 - -	- 11 2	-
		456	12,114 - -	- - -	12,114 - -	12,113 8 10	- - -	12,113 8 10	- - -	-
	TOTAL		1,794,616 - -	123,620 - -	1,670,996 - -	1,737,861 7 2	131,271 12 7	1,606,589 14 7	64,405 5 5	-
	CLASS VI.									
	NON-EFFECTIVE AND CHARITABLE SERVICES.									
1	Superannuation and Retired Allowances	461	547,887 - -	- - -	547,887 - -	541,809 16 4	- - -	541,809 16 4	6,077 3 8	-
2	Merchant Seamen's Fund Pensions	466	5,620 - -	- - -	5,620 - -	5,198 2 10	- - -	5,198 2 10	421 17 2	-
3	Miscellaneous Charitable and other Allowances, Great Britain	468	1,793 - -	- - -	1,793 - -	1,784 - 2	- - -	1,784 - 2	8 19 10	-
4	Pauper Lunatics, Ireland	470	144,170 - -	- - -	144,170 - -	144,169 15 1	- - -	144,169 15 1	- 4 11	-
5	Hospitals and Charities, Ireland	472	17,758 - -	182 - -	17,576 - -	17,717 12 2	171 12 1	17,546 - 1	29 19 11	-
6	Savings Banks and Friendly Societies' Deficiencies	475	58,516 - -	- - -	58,516 - -	55,859 1 3	- - -	55,859 1 3	2,656 18 9	-
	TOTAL		775,754 - -	182 - -	775,572 - -	768,538 7 10	171 12 1	768,366 15 9	9,205 4 3	-
	CLASS VII.									
	MISCELLANEOUS.									
1	Temporary Commissions	481	21,792 - -	- - -	21,792 - -	18,231 19 8	- - -	18,231 19 8	3,560 - 4	-
2	Miscellaneous Expenses	490	10,024 - -	7 100 - -	2,924 - -	9,595 6 11	7,375 7 7	2,219 19 4	704 - 8	-
	Congested Districts Board, Scotland	494	20,000 - -	- - -	20,000 - -	20,000 - -	- - -	20,000 - -	- - -	-
	Repayments to the Civil Contingencies Fund	497	6,018 - -	- - -	6,018 - -	6,017 12 8	- - -	6,017 12 8	- 7 4	-
	Relief of Distress, Ireland	498	50,000 - -	- - -	50,000 - -	35,351 11 9	- - -	35,351 11 9	14,648 8 3	-
	Public Funeral of Mr. Gladstone	500	2,200 - -	- - -	2,200 - -	2,107 18 9	- - -	2,107 18 9	92 1 3	-
	Repayments to the Local Loans Fund	501	1,692 - -	- - -	1,692 - -	1,691 8 5	- - -	1,691 8 5	- 11 7	-
	TOTAL		111,726 - -	7,100 - -	104,626 - -	92,995 18 2	7,375 7 7	85,620 10 7	19,005 9 5	-

* Vide Parliamentary Paper, No. 191, of 1900.

APPENDIX, No. 4.

PAPER handed in by Col. *Raban*, R.E.

REPORT of Committee on Navy Vote 10, Sub-head S., and method of dealing with Credits for Returns of Stores from Works.—January 1901.

To the Lords Commissioners of the Admiralty.

May it please Your Lordships,

WHEN the Director of Works was under examination by the Public Accounts Committee in March 1900, it was agreed that the question of the Stock Account of Stores under Sub-head S., Vote 10, which was raised by the Comptroller and Auditor General (*see* page 224 F. of the Navy Appropriation Account, 1898-9), should be discussed at a conference between representatives of the Treasury, Exchequer and Audit Department, and Admiralty.

It was subsequently suggested by the Admiralty, and agreed to by the Treasury, that the method of dealing with credits for returns of stores from works should be considered by those representatives at the same time.

Both these questions have now been considered.

I.

With regard to the first question, it may be noted that the Comptroller and Auditor General pointed out, in effect, that the account under Sub-head S. did not balance, that the receipts and expenditure were not sufficiently classified, and that he was informed that there were various disturbing factors which prevented the accurate balancing of the account.

The matter was debated at some length before the Public Accounts Committee (*see* pages 56 to 63 of their second Report, dated 25th July 1900).

We have carefully considered the "disturbing factors" of this Sub-head, and find that particulars of most of them appear in the existing departmental accounts, and can be used for the purposes of adjustment. The factor over which most discussion has taken place is that of the difference between the rates at which stores are taken on charge, and those at which they are issued to works.

The general practice of the Works Department is to alter the value of stores in stock to the value of newly-purchased articles of the same descriptions whenever the latter are received at any store centre.

The effect of this practice is that stores are issued to works at "the last price paid," i.e., the nearest approach to current local market rates, but it also has the effect of altering the value of stock in hand. The effect of these alterations in value on the balance of the Sub-head has never been worked out, and it is urged by the Works Department that the labour involved would be very great and quite out of proportion to the results that would be obtained.

The present practice is found simple in working, and has the material advantage that works executed by Departmental labour are charged with the value of stores at market rates, which allows of a better check being maintained on their being carried out economically, as compared with works done by contract. Moreover the Works Officers are acquainted with the procedure.

The question of having a rate book has been considered, but the system which experience shows is suitable to the Works Department, viz., of having many local contracts at home and abroad for materials, does not lend itself to the adoption of a rate book, the introduction of which would involve much additional labour, while the other alternative of issuing stores at cost prices would, it is urged, largely increase the clerical work in connection with stores.

The Committee are of opinion, after considering all the disturbing factors of the Sub-head, that this particular factor of difference between price paid and price of issue does not so much affect the balancing of the Sub-head as the other disturbing factors mentioned by the Director of Works in his evidence before the Public Accounts Committee in March 1900.

They have come to the conclusion that a practical solution of the difficulty referred to by the Comptroller and Auditor General may be found in the preparation of a statement at the end of each year showing the various amounts due to disturbing causes in the manner indicated in the table below; the balancing items there stated being taken to represent the differences due to taking the last price paid, and being capable of analysis and investigation if abnormal differences appear.

The amounts set against the other disturbing items of the statement will be based on actual figures which it will be practicable to audit.

<i>Dr.</i>	£.	<i>Cr.</i>	£.
1. Value of Stock at beginning of year, per Appropriation Account - - -		1. Issues to Vote 10 Services and Conversion Accounts - - - - -	
2. Payments for Purchases during the year from all sources for Vote 10, <i>e.g.</i> , from contractors (net after deducting penalties for delays) - -		2. Professional value of Stores issued to Sale ledger, being the estimated selling price - - - - -	
Naval Stores - - - - -		3. Loss, if any, being the difference between the estimated selling price and the price at which the articles appear on the Store ledger - - -	
Services, Conversion Accounts, &c. -		4. Issue of Tools and Plant from Store ledger to Vote 10 Tool and Plant ledger during the year (under 1,000 <i>l.</i> each) - - - - -	
3. Payments for Purchases of Tools and Plant for Vote 10 during the year (under 1,000 <i>l.</i> each) - - - - -		5. Depreciation by professional valuation of old serviceable Stores - -	
4. Penalties for delays under contracts, the issue rates not reduced - - -		6. Value of Materials paid for during the year and included in item 2 on <i>Dr.</i> side, but taken on charge in previous year - - - - -	
5. Value of Materials taken on charge during the year, but paid for in previous year - - - - -		7. Value of Materials paid for during the year and included in item 2 on <i>Dr.</i> side, but taken on charge in subsequent year - - - - -	
6. Value of Materials taken on charge during the year, but paid for in subsequent year - - - - -		8. Issues of Stores during the year to Works Loan - - - - -	
7. Payments for Purchases of Stores during the year for Works Loan -		9. Casual issues to Works Loan, credited to Sub-head X., Appropriations in aid of Vote 10 - - - - -	
8. Value of any Materials received without charge - - - - -		10. Issues to other Navy Votes, other Departments of Government and Private Individuals, credited to Sub-head X. - - - - -	
9. Excess of surplus over deficiencies found on Stocktaking - - - - -		11. Losses of Stores, per quarterly lists -	
*10 Excess of profits over losses on issues by taking last rates paid - - - -		12. Excess of deficiencies over surplus found on stocktaking - - - - -	
		*13. Excess of losses over profits on issues by taking last rates paid - - -	
		14. Value of Stock at end of year, per Appropriation Account - - - - -	
£.		£.	

* 10 or 13 would be the *balancing* item.

The Committee recommend the adoption of this form of adjustment as a tentative measure commencing in the year 1901-2.

II.

The second question referred to the Committee relates to the Method of dealing with Credits for Returns of Stores from Works.

These Returns are of two kinds, *viz.* :—

Returns of Stores of which the value has been debited against items of works in the year of the return, and is admittedly a credit to the items of works which were charged on the issue of the stores ; and

Returns of Stores of which the value has been finally charged against items of Works in prior years, and in connection with which the question has from time to time been discussed whether the return value should be credited to the items of works charged at the times of issue, or be treated as Appropriations in aid of the Vote as a whole.

It is with the latter that the Committee is dealing ; and the question before them is whether the value of all Returns of Stores supplied either in a current or previous year should be treated alike, namely, as credits to debit Sub-heads of Works.

So long as Vote 10 was framed on the lines of ordinary votes, it was contended that the exclusion from debit sub-heads of credits for Returns of Stores issued and charged in prior years was necessary under the system of annual appropriations, and was justified by the instances of obscurity of results where such credits have taken place ; but the form of the Vote has been considerably modified in character in the last three years, and combines at present the features of a Cash and an Expense Account.

Moreover, in 1896-7 the "Detailed Statement" attached to the Appropriation Account was extended in such manner as to furnish, for the information of Parliament, not only the grant and expenditure of *the year* of account, but also the cumulative results of expenditure on items of works under total estimate and total payments; and further, in 1897-8 the novel feature, so far as Naval Estimates are concerned, of a suspense Store Sub-head for general purposes (Sub-head S., "Stores to be purchased,") was introduced, which has become the buying and selling Sub-head for all items of works carried out by Departmental labour, and to which attaches a reserve stock of a value of about 76,000*l.*, continually operated upon, and fluctuating in connection with the Works transactions of the year.

In view of these altered conditions, the Committee are disposed to think that the lines of strict appropriation under years need not be adhered to in respect of the value of Stores returned from the Works to the "Stores" Sub-head in a year subsequent to that of the original issue and charge, and that no distinction need be drawn between current and prior year Returns, both being treated in future as credits to the items of works and corresponding Sub-heads returning the stores, and as debits to Sub-head S., which rebuys the stores, and adds them to general stock for future use. It would, however, be desirable that, in the interest of clearness of account, the Admiralty should show the effect of all prior year Returns upon the *Annual Expenditure* in the "Detailed Statement," viz., by an inner column notation, giving (a) Expenditure, less (b) Returns, and (c) Outcome of the year's transactions.

The Returns from works are usually few in number and relatively small in amount, and it is not thought that any appreciable disturbance of results would occur under the modified arrangements, while simplicity and uniformity of rule under this Vote in regard to returned stores would be attained.

Edward Raban.
P. Woods.
W. Cuming.
John Bromley.

Admiralty,
4 February 1901.

APPENDIX, No. 5.

PAPER handed in by Mr. *R. D. Audry*, C.B.*Re* Questions 106 and 108 asked by Committee of Public Accounts on 13th March 1901.

STATEMENT showing the Repayments to the Admiralty by the War Office for Stores, &c. supplied during the Financial Year 1899-1900.

V O T E.	Sub-head of Vote to which Credited.	Amount.
		£.
2. (Victualling and Clothing) - - - - -	Appropriations in Aid - - -	112,376
3. (Medical Establishments and Services) - - - - -	ditto - - - - -	20
8. Section II. (Shipbuilding, &c.—Matériel) - - - - -	ditto - - - - -	64 721
8. Section III. (Shipbuilding, &c.—Contract Work) - - - - -	ditto - - - - -	111
9. (Naval Armaments) - - - - -	Credit to Debit Sub-heads - - -	99,506
9 (ditto) - - - - -	Appropriations in Aid - - -	10,469
10. (Works, &c.) - - - - -	ditto - - - - -	402
11 (Miscellaneous Effective Services) - - - - -	ditto - - - - -	500
	TOTAL - - - £.	288,114

Admiralty, 20th March 1901.

R. D. Audry.
Accountant General of the Navy.

APPENDIX, No. 6.

PAPER handed in by Mr. F. T. Marshall.

CORRESPONDENCE relating to the occupation of the Bethnal Green Militia Barracks by the Committee of St. John's National Schools.

1.

Extract from Letter from General Officer Commanding Home District, dated 18th February 1899, enclosing Letter from Lord Hugh Cecil, M.P., dated 11th February 1899.

2.

Extract from Letter of War Office, dated 21st February 1899 to General Officer Commanding.

3.

Letter from War Office to General Officer Commanding, dated 23rd February 1899, and enclosing Letter from Mr. Keymer, Honorary Secretary to Committee of Managers.

4.

Letter from General Officer Commanding in reply, dated 25th February 1899.

5.

Reply of War Office, dated 3rd March 1899.

6.

Letter from War Office to General Officer Commanding, dated 12th May 1899.

7.

Reply from General Officer Commanding, dated 16th May 1899, with enclosures.

8.

War Office reply to Letter of 19th May 1899.

9.

Reply from General Officer Commanding, dated 24th May 1899.

10.

War Office Letter to Treasury, dated 19th June 1899 (already printed).

11.

Letter from General Officer Commanding, dated 28th June 1899 (told in answer that reply would be sent as soon as possible).

12.

Reply from Treasury, dated 3rd July 1899 (already printed).

13.

Reply of War Office to Treasury, dated 25th July 1899 (already printed).

14

Reply from Treasury, dated 29th July 1899 (already printed).

15.

War Office to General Officer Commanding, dated 3rd August 1899.

16.

Letter from General Officer Commanding, dated 11th September 1899, enclosing Letter from Mr. Keymer.

17.

Letter to General Officer Commanding, dated 27th September 1899.

18.

Letter to General Officer Commanding, dated 11th December 1899.

19.

Reply from General Officer Commanding, dated 1st January 1900.

20.

War Office to General Officer Commanding, dated 17th January 1900.

21.

Reply from General Officer Commanding, dated 2nd February 1900, enclosing Letter from Mr. Keymer, dated 31st January 1900.

22.

War Office to General Officer Commanding, dated 27th March 1900, returning letter from Lord Hugh Cecil, M.P., to General Officer Commanding Home District; copy enclosed.

23.

Reply from General Officer Commanding, dated 10th April 1900, enclosing copies of correspondence with Lord Hugh Cecil.

24.

War Office to Treasury, dated 12th June 1900 (already printed).

25.

Treasury to War Office, dated 29th June 1900 (already printed).

26.

War Office to Treasury.

Correspondence closed.

1.

From the General Officer Commanding, Home District, to the Under Secretary of State for War,
War Office, Pall Mall, S.W.

Home District Office, 23, Carlton House Terrace,
London, S.W., 18 February 1899.

I ATTACH a letter from Lord Hugh Cecil, M.P., asking for the use of these barracks as a temporary school. He has been informed that he would probably get a definite answer more quickly by referring direct to the Under Secretary of State for War.

I am, &c.
(signed) *H. Trotter*.
Major General Commanding, Home District.

Enclosure.

Dear Sir,

I MUST apologise for venturing to address you. I do so in the interest of the schools of St. John's, Bethnal Green. These schools are about to be rebuilt and the managers are anxious to obtain temporary premises to occupy during the rebuilding operations. I understand that there are in Globe Road, Bethnal Green, some empty barracks, and it appeared to the managers that it might be possible to obtain leave to use them.

To apply for such leave is the object of this letter. I am informed, I hope not incorrectly, that it is to you that application should be made.

With many apologies for troubling you.

I am, &c.
(signed) *Hugh Cecil*.

2.

(London, 16—2452.)

Sir,

If re-occupation is undesirable, your opinion is requested as to whether the application from Lord Hugh Cecil, M.P., might be acceded to, viz.: to use the vacated barracks as temporary schools during the re-building of the schools of St. John's, Bethnal Green.

The General Officer Commanding Home District.

I have, &c.
(signed) *Jas. T. Skinner, A.Q.M.G.,*
For Quartermaster General.

War Office, 21 February 1899.

3.

(London, 16—2454.)

Sir,

WITH reference to my letter of the 21st instant (London, 16—2452), and telegram of to-day's date, I am directed by the Secretary of State for War to transmit to you the enclosed copy of a letter from the secretary of the committee of managers of St. John's National School, Bethnal Green, and to request that you will state what you recommend at the earliest possible date.

The General Officer Commanding, Home District.

I have, &c.
(signed) *Jas. T. Skinner, A.Q.M.G.,*
For Quartermaster General.

War Office, 23 February 1899.

Enclosure.

To the Under Secretary for War, War Office, Pall Mall, S.W.

G. Wyndham, Esq., M.P.

Sir,

1, Whitefriars street, London, E.C., 21 February 1899.

THERE are militia barracks in Globe Road, Bethnal Green, which for some time past have been unoccupied, and we understand it is not the intention of the War Office to use them again.

We write on behalf of the committee of St. John's National School, Bethnal Green, a Public Elementary school, to ask whether you will kindly grant us permission to use the barracks for the work carried on at the school during the time occupied by re-building.

Representatives of the Committee had permission kindly given them by Colonel Waller to look over the buildings, and they are found to be well suited for the purpose, and the permission to use them would be an immense convenience to the school authorities, and of great use to the large number of children now attending this school. The committee would see that no expense was incurred by the Department owing to any permission given them to use the barracks. The present caretaker could stay in the building to see that no damage was done, and the school caretaker would also be there for the same purpose, and to see that no extra work was entailed upon the War Department caretaker; or, if preferred, the committee would take the responsibility for the building, taking entire charge with their own caretaker, who would also give free access to anyone with War Office instructions. Practically no alterations would be required. Some wooden gun-racks in one of the rooms would have to be removed, but these are, we understand, made so that they may be taken to pieces.

Mr. Mercer, the ground landlord, is one of the Committee of the Schools, and we have his authority for saying that he would be very pleased if the permission requested were granted.

The committee would give any undertaking required against damage, and would undertake to give up the use of the building at any time they were called upon to do so.

The present school building ought to be given up on 1st March, and the contract is that the new building is to be completed and ready for occupation by the end of November.

Trusting to receive a favourable and early reply to our request,

We remain, &c.
(signed) *D. J. Keymer,*
Hon. Sec. to Committee of Managers.
Hugh Cecil,
Member of Committee.

4.

(B. 184--5.)

From the General Officer Commanding, Home District, to the Under Secretary of State for War,
War Office, Pall Mall, S.W.

Home District Office, 23, Carlton House Terrace,
London, S.W., 25 February 1899.

IN reply to London, 16—2454, of 23rd instant, and War Office letter of 21st idem, London, 16—2452, I beg to report that I do not consider it desirable for the married quarters at Bethnal Green Militia Barracks to be occupied by families of the 7th Battalion Rifle Brigade from Dalston, as the two barracks are far apart. The suggestion was only made by the Officer Commanding in his letter of the 28th November last in the case of the non-commissioned officer with a large family quartered in the hired house at Lansdowne Road, and that case has since been arranged.

The preliminary drill of the battalion takes place at Dalston for 63 days from 29th May next, the battalion afterwards proceeding to Salisbury Plain for the annual training, and it is necessary that the permanent staff should be at Dalston readily available for duty. Any other arrangement may be prejudicial to drill and discipline, and at present, at all events, would certainly be highly inconvenient.

I therefore beg to recommend that the vacated barracks be allowed to be used as temporary schools during the rebuilding of the Schools of St. John's, Bethnal Green, as applied for by Lord Hugh Cecil, M.P.

If granted, I think the War Department should be reimbursed the ground-rent now being paid for these barracks—viz., 90*l.* per annum—during the period of such occupation.

H. Trotter,
Major-General Commanding Home District.

5.

(London, 16—2455.)

Sir,
 WITH reference to your letter of the 25th ultimo (B. 181—5), I am directed by the Secretary of State for War to say that the letting of Bethnal Green Barracks to the Managers of St. John's National Schools is approved as a temporary measure, and such arrangements as you may deem necessary may be made as regards rent, indemnity against damage, including some security against loss by fire.

2. Should you require professional assistance you may communicate direct with Mr. Elwell, Consulting Land Agent to the War Department at this Office.

3. When arrangements have been completed, particulars of the letting, together with the number allotted to it, should be reported.

I am, &c.
 (signed) *G. Hildebrand*,
 Deputy Inspector General of Fortifications.

The General Officer Commanding, Home District.

6.

Sir,
 WITH reference to War Office letter of the 3rd March 1899 (London, 16—2455), relative to the letting of Bethnal Green Barracks to the managers of St. John's National Schools, I am directed by the Secretary of State for War to request that you will furnish the report therein called for as to the arrangements made by you for the temporary occupation of these barracks, the amount of rent, and the mode in which it was arrived at.

I am to say that as regards the rent it is not intended that this should do more than cover outgoings for the period during which the barracks are held by this philanthropic institution; it is not wished to derive any profit from the transaction.

I am to ask for an early reply.

I am, &c.
 (signed) *G. Hildebrand*,
 Deputy Inspector General of Fortifications.

The General Officer Commanding, Home District.

7.

(R.E.—1367.)

From General Officer Commanding, Home District, to Under Secretary of State, War Office, London, S.W.

Sir,
 WITH reference to your letter of the 12th May (London, 16), regarding Bethnal Green Barracks, I have the honour to report that I am still in correspondence with the committee of St. John's, Bethnal Green, Schools on the amount of rent that they should pay.

2. This I at first fixed at 90*l.* per annum, being the amount of ground rent paid by the War Office, but on receipt of the letter (copy attached marked A.) from the committee, I reduced it to 50*l.* in consideration of the fact that they did not occupy all the buildings, *vide* Letter B.

3. The committee again write, on 5th May, still asking to be relieved from paying any rent (Letter C.), to which I replied by Letter D.

4. I am now in receipt of a letter from them, dated 10th May (copy attached, marked E.), asking that the matter may be referred to the Under Secretary of State for War, on which I would request instructions.

I have, &c.
 (signed) *H. Trotter*,
 Major General Commanding, Home District.

Enclosure.

D. J. Keymer & Co.

Dear Sir,
 I AM in receipt of your favour of March 14th, enclosing draft agreement for a tenancy of Bethnal Green Barracks. I am desired by my committee to ask you whether you cannot waive the question of rent. As you know, the managers have to raise at least 200*l.* a year by voluntary subscriptions to keep the schools going. It is difficult to raise that amount, and the addition for rent would be a heavy burden to them.

My committee thought that as it was for educational and religious purposes you would probably be able to allow them to use the barracks, during the re-building of the school, until they were let. The occupancy would be no expense, would not prevent the building being let, and we would leave at 48 hours' notice at any time.

Then under Clause 5 of the Agreement we are to keep the building in good repair, and to carry out such alterations, additions, and improvements as may be required by the local sanitary or other authority. I would draw your attention to the fact that the building is not in a complete state of repair, and further that the sanitary authority might possibly require large alterations to be carried out. My committee quite understand that you should not be called upon to make any alterations in the sanitary arrangements for the benefit of the school. If the local authorities stipulated that heavy alterations had to be made as a condition that the school might be carried on at the barracks, we ought to have the option of leaving and carrying on the school in some other building.

Any damage which might be done by the children or which occurred through the school being held at the barracks we would of course make good, and any expense to which the Government might be put owing to their giving us permission to use the barracks would be gladly met by my committee.

In

5 Enclosures.

In Clause 4 you write of an existing policy in the Hand-in-Hand Insurance Company. I did not know that any policy was in existence, and I promised the officers whom I had the pleasure of seeing a fortnight ago that I would take a policy of insurance out at once, and this I have done through the London and County Fire Office and the Atlas Fire Office. Probably, however, these policies could be cancelled if it is necessary to continue the Hand-in-Hand Insurance Policy.

Colonel Waller, R.E., 41, Charing Cross, S.W.

I remain, &c.
(signed) *D. J. Keymer*,
Hon. Secretary, St. John's School.

Enclosure.

(R.E.—1115.)

Dear Sir,

Royal Engineer Office, 41 Charing Cross,
23 March 1899.

In reply to your letter of the 16th inst., concerning the draft agreement for Bethnal Green Schools, the General Officer Commanding does not think that the Secretary of State for War would be justified in letting a Government building rent free to a body of private gentlemen for whatever purpose it might be. But considering the circumstances he is of opinion that 50*l.* per annum would be a sufficient acknowledgment, and I have now so altered it in the draft.

2. As regards Clause 5, the General is well aware of the present condition of the building, and your Committee can rest assured that they will receive every consideration in the matter of repairs and damages.

3. It is necessary to maintain the latter part of Clause 5 in order to exempt the Secretary of State for War from any responsibility as regards the use of the building for a school; but the words now added to the clause and the power of the committee to determine their lease in a month's notice given in the last clause of the draft, are I imagine a sufficient security against the committee being compelled to carry out "heavy alterations" which they might not be disposed to undertake.

4. As regards the policy of insurance, the War Office are compelled by the terms of their lease to insure for 2,000*l.*, and this is at present done in the Hand-in-Hand Insurance Office. It would seem to be the simplest method to follow the suggestion contained in the last paragraph of your letter, to cancel the new policies and continue the Hand-in-Hand insurance policy.

The Hon. Secretary, St. John's Schools,
Bethnal Green.

I remain, &c.
(signed) *S. Waller*,
Colonel Commanding Royal Engineers, Home District.

Enclosure.

(R.E.—1115.)

Sir,

1, Whitefriars Street, London, E.C., 5 May 1900.

In reply to your letter of March 23rd and May 3rd regarding the use of the barracks in Globe Road for St. John's Bethnal Green Schools.

I have now had an opportunity of seeing several members of the School Committee, and they desire me to bring under your notice the following facts:—

First: That the school in question is a public elementary school, and is therefore doing a work of national value, and it is in no way whatever of personal benefit to any member of the committee.

Secondly: That the committee have to raise the sum of 8,000*l.* for rebuilding the schools. This in itself is a very great burden. Several years have been spent in raising just over 4,000*l.*, and there is a sum of between 3,000*l.* and 4,000*l.* still to be raised. It was only at the request of the Government that the committee began rebuilding. They trust that this heavy burden will not be increased by further charges for use of temporary premises. The school is an East End one, and money most difficult to raise for it.

Thirdly: The use of the barracks by the school is in no way whatever an expense to the Government. The buildings have been empty for some time, and the committee are ready to move out at any time if the Government succeeds in letting them.

Fourthly: The question of rent would also involve the question of rates, thus causing still further charges upon the managers.

The committee are very much obliged for the kind way in which their request for permission to use the building has been met. It has greatly facilitated the work of the school—a national work—and they earnestly hope that the Secretary of State for War will kindly waive any charge for rent under the above-mentioned circumstances.

Colonel Waller, C.R.E., 41, Charing Cross.

I remain, &c.
(signed) *D. J. Keymer*,
Hon. Secretary, St. John's Schools, Bethnal Green.

Enclosure.

(R.E. 1115.)

Dear Sir,

Royal Engineer Office, 41 Charing Cross,
9 May 1899.

In reply to your letter of the 5th inst., I am desired by the Major General Commanding the Home District to inform you that while fully recognising the arguments you bring forward, he regrets that he cannot depart from the principle stated in the first paragraph of my letter of the 23rd March, and that he considers the payment of the acknowledgment of 50*l.* per annum an essential condition of the occupation of the building by your committee.

2. I would ask you therefore to return the draft agreement at your earliest convenience. I would point out that your committee have now been in occupation of the barracks for over two months, and that further delay in settling the terms of occupation is to be deprecated.

D. J. Keymer, Esq., Hon. Secretary,
St. John's Schools, Bethnal Green.

I remain, &c.
(signed) *S. Waller*,
Colonel Commanding Royal Engineers, Home District.

Enclosure.

D. J. Keymer & Co.

Dear Sir,
I AM in receipt of your letter of yesterday's date, for which please accept my thanks. You may, of course, rely that, if it is decided that this 50*l.* per annum has to be paid, my committee will not raise any difficulty over the matter, and we all feel ourselves much indebted to you for the permission you gave us to remove the school to the barracks.

At the same time, we are very anxious to save the rent if possible, considering that we have still 2,500*l.* to raise for the new building.

Will you kindly let the matter stand until Mr. Wyndham returns, and then refer it to him. If after that reference it is decided that the committee must pay the amount, I will immediately see that the instalments that would be due are paid, and that the agreement is signed.

Colonel Waller,
Royal Engineer Office, 41, Charing Cross, S.W.

Believe me, &c.
(signed) D. J. Keymer.

8.

(London, 16—2471.)

War Office, 19 May 1899.
WITH reference to your letter of the 16th May 1899 (R. E., 1367) respecting the letting of Bethnal Green Barracks to the managers of St. John's National Schools, I am directed by the Secretary of State for War to request that you will report what you consider will be the cost to the War Department of the occupancy of the buildings proposed to be handed over for the temporary use of the schools over and above the outgoings if left vacant.

2. I am also to ask that you will state what you consider should be the amount of the policy for fire insurance which should be arranged for by the occupants for the additional risk due to their occupancy.

Home District.

I am, &c.
(signed) G. Hildebrand.
Deputy Inspector General of Fortifications.

9.

(R.E.—1393.)

From General Officer Commanding, Home District, to Under Secretary of State, War Office, London, S.W.

Sir,
In reply to your letter of the 19th inst. (London, 16—2471) respecting the letting of Bethnal Green Barracks, I have the honour to report that, as there is a clause in the draft agreement requiring the tenants to keep the building in proper repair, I do not contemplate that any additional cost will accrue to the War Department owing to their tenancy, excepting 5*l.* which it has cost to remove the clothing racks.

2. The natural outgoings are 90*l.* per annum ground rent and about 30*l.* per annum maintenance while vacant.
3. The amount of the existing policy of fire insurance was fixed by agreement with the superior landlord, and seems sufficient (2,000*l.*).

4. By inquiry at the Hand-in-Hand Insurance Office it has been ascertained that the occupancy of these premises as schools would not affect the question of insurance, provided that no exceptional means of warming the rooms be introduced.

I have, &c.
(signed) S. Waller,
Colonel Commanding Royal Engineers.
For Major-General Commanding Home District.

10.

(London, 16—2473.)

Sir,
I AM directed by the Secretary of State for War to bring to the notice of the Lords Commissioners of Her Majesty's Treasury the following circumstances regarding the temporary occupation of Bethnal Green Militia Barracks by the committee of St. John's National Schools.

These barracks are held by the War Department on a 61 years' lease from September 1854 at an annual ground rent of 90*l.* In 1897 they were vacated and dismantled and placed in charge of a caretaker, and efforts are now being made to effect an advantageous surrender of the lease. Meanwhile an application was received in February last from Lord Hugh Cecil, M.P., on behalf of the school committee of St. John's School, Bethnal Green, for permission to occupy the barracks pending the rebuilding of the schools, which are expected to be completed in November next. Owing to the urgency of the case this permission was granted, the settlement of terms being left for subsequent arrangement.

The school committee now ask that they may be allowed to occupy rent free, on the grounds that the building is used for educational and religious purposes, that they are a heavily-burdened philanthropic institution, and that the premises would bring in no revenue to the War Department if vacated.

Taking all the circumstances into consideration, Lord Lansdowne recommends that the school committee be allowed to continue their temporary occupation at a nominal monthly rent of 5*s.*; in addition, they would be called upon to pay all rates in respect of their occupation and to enter into the usual covenants as to repairs, fire insurance, &c. They would, moreover, be required to undertake to vacate the premises at any time, should this be necessary.

Having regard to the special circumstances of the case, I am to request the favour of their Lordships' sanction to the proposed arrangement.

The Secretary, Treasury.

I have, &c.
(signed) G. Fleetwood Wilson.

11.

(R.E. 1393.)

From General Officer Commanding, Home District, to Under Secretary of State, War Office, London, S.W.

Sir,

Home District Office, London, 28 June 1899.

With reference to War Office letter (London, 16—2471) of 19th May last, and my report (R.E. 1393), dated 24th ultimo, relative to letting of Bethnal Green Barracks to the managers of St. John's National Schools, I should be glad to be informed whether any decision in this matter has been arrived at yet.

I have, &c.
(signed) *S. Waller*,
Colonel Commanding Royal Engineers,
For Major General Commanding, Home District.

12.

(10,171—99.)

Sir,

Treasury Chambers, 3 July 1899.

I HAVE laid before the Lords Commissioners of Her Majesty's Treasury Mr. Fleetwood Wilson's letter of the 19th ultimo (London, 16—2473), respecting the temporary occupation of Bethnal Green Militia Barracks by the committee of St. John's National Schools.

My Lords note that the school committee only desire to occupy these disused barracks pending the re-building of the schools by November next, and in the circumstances their Lordships will not refuse their consent to the continuance of the temporary occupation which has been sanctioned by the Secretary of State.

They are not, however, prepared to require the Committee to pay merely a nominal monthly rental of 5s. while the War Office has to pay ground rent and expenses of caretaker; and their sanction is only given on condition that the school committee pays—

- (1) A rental covering the ground rent of 90l. per annum;
- (2) All rates in respect of their occupation; and
- (3) Cost of caretaker.

The committee are also to enter into the usual covenants as to repairs, fire insurance, &c., and to undertake to vacate the premises at any time should this be considered necessary by the War Department.

My Lords regret that their previous sanction was not sought, and that, in permitting the committee to occupy the premises, the War Office should have left the settlement of terms for subsequent arrangement.

The Financial Secretary, War Office.

I have, &c.
(signed) *R. W. Hanbury*.

13.

(London, 16—2478.)

Sir,

War Office, London, S.W., 25 July 1899.

With reference to your letter of the 3rd instant (10,171—99) on the subject of the temporary occupation of Bethnal Green Militia Barracks, I am directed to state, for the information of the Lords Commissioners of Her Majesty's Treasury, that as the school committee only occupy a portion of the barrack premises, it is presumed that they should only be called upon to pay a rental based on the proportion of the buildings they occupy, as compared with the whole property for which the 90l. is annually paid as ground rent.

2. As a caretaker is required in respect of the unoccupied buildings, and not in consequence of the temporary occupation of a portion by the school committee, perhaps their Lordships will agree with Lord Lansdowne that the committee should not be called upon to pay the expenses involved by his employment.

3. I am, however, to request their Lordships' instructions on the two points raised.

The Secretary, Treasury.

I have, &c.
(signed) *Frank T. Marzials*.

14.

(12,410—99.)

Sir,

Treasury Chambers, 29 July 1899.

In reply to Mr. Marzials' letter of the 25th instant (London, 16—2478), I am directed by the Lords Commissioners of Her Majesty's Treasury to request you to inform the Marquess of Lansdowne that the committee of St. John's National Schools, Bethnal Green, should be required, during their occupation of the Bethnal Green Militia Barracks, to pay the whole ground rent of 90l. per annum, together with the whole cost of the caretaker.

The Financial Secretary, War Office.

I have, &c.
(signed) *R. W. Hanbury*.

15.

(London, 13—2479.)

Sir,
 War Office, Horse Guards, 3 August 1899.
 With reference to War Office letter of the 19th May 1899 (London, 16—2471), relative to the letting of Bethnal Green Barracks to the managers of St. John's National Schools, I am directed by the Secretary of State for War to inform you that it has been decided that the School Committee shall pay :—

1. A rental covering the whole ground rent of 90*l.* per annum.
2. All rates in respect of their occupation.
3. The whole cost of the caretaker.

They must also enter into the usual covenants as to repairs, fire insurance, &c., and undertake to vacate the premises at any time should this be considered necessary by the War Department.

I am to ask that you will submit a draft agreement accordingly.

I am, &c.
 (signed) *G. Hildebrand*,
 Deputy Inspector General of Fortifications.

The General Officer Commanding, Home District.

16.

(R.E.—1665.)

From General Officer Commanding, Home District, to Under Secretary of State, War Office, London, S.W.

Sir,
 Home District Office, London, 11 September 1899.
 In reply to your letter of 3rd August (London, 16—2479), the contents of which have been communicated to the committee of St. John's National School, Bethnal Green, I have the honour to forward a further letter received from the secretary to the committee asking that the question of the amount of rent which they should pay may be reconsidered.

2. As regards his statement at A., this I think must refer to a private interview between one of the committee and the Under Secretary of State for War, as no suggestion to that effect has emanated from the District.

3. On the other hand, the statement at B. that they do not occupy the entire premises is true, as also that they have their own caretaker. It was in consideration of these facts that I offered them the terms of 50*l.* per annum rent, contained in my letter to the committee of the 23rd March, and I am still of opinion that this would be a fair acknowledgment.

4. I attach a plan showing the actual portion of the barracks occupied by the school committee.

I have, &c.
 (signed) *H. Trotter*,
 The General Commanding, Home District.

Enclosure.

Dear Sir,
 1, Whitefriars Street, London, E.C., 7 September 1899.
 REFERRING to your letters of August 4th and August 22nd, and also to the interview I had the pleasure of having with you.

My committee are very much disappointed that they should have to pay any rent for the use of these barracks. Their feeling is that the work in which they are engaged is a national one, the school being a national school, and no profit whatever is being drawn from it; indeed, the work there is carried on at a very heavy loss each year, which has to be made up by voluntary contributions.

In addition to this the managers have to find 8,000*l.* for re-building the old schools. It has taken four years to raise 5,000*l.* of this, and 3,000*l.* still remains. The children and other friends connected with the church are making a great effort to raise this sum, and as it is all for the public benefit my committee think that the War Office might very well let them have the temporary use of the barracks without any charge. They felt that their occupancy would not in any way interfere with the selling of the barracks, and would entail no cost on the Department. Further, when the matter was first discussed, nothing was said about rent, and they really thought they were to have barracks rent free. A

I, personally, and on behalf of the committee also, thank you most heartily for the help you gave us in allowing us to use the barracks, and I am sure you will understand that in asking you to reconsider your decision as to the amount of rent to be paid I am not asking for myself, but because when money is being collected by pence it behoves those in charge to save every large sum possible.

I wish to bring under your notice the fact that we are not using the whole of the buildings, but only that in Globe-road. My committee therefore hope that if it is decided we are to pay rent the Department will see that it would be hard on them if they had to pay rent for the whole of the premises. B.

Further, we have our own caretaker in charge of the buildings in Globe-road. We can rely on his taking the greatest care of the building, and as we are paying him, a second caretaker would be quite unnecessary so far as our needs are concerned.

Regarding the question of insurance in the Hand-in-Hand Fire Office, I inquired about this, and I found that it is on the building in Victoria Park Square only, and it is this building which we are not occupying. As far as I am aware the building in Globe-road was not insured by you. As, however, I promised to cover it by insurance, I took out a policy some months ago in the Atlas Fire Office to the extent of 2,000*l.* on the Globe-road premises only.

My committee trust you will give this matter your reconsideration, and if you decide we are to pay some rent, that the foregoing facts will lead you to make it as small as possible.

To Colonel Waller, R.E., Royal Engineers' Office,
 41, Charing Cross, W.C.

Believe me, &c.
 (signed) *D. J. Keymer*.

17.

(London, 16—2483.)

Sir,
 WITH reference to your letter of the 11th instant (R.E.—1665) relative to the occupation of part of the Bethnal Green Barracks by the managers of the St. John's National Schools, I am to inform you that the matter has been carefully considered, and that the Secretary of State for War regrets that he is unable to modify the terms notified in War Office letter (London, 16—2479) of the 3rd ultimo.
 The draft agreement with the school committee is awaited.

I am, &c.
 (signed) *G. Barker,*
 Assistant Inspector General of Fortifications.

The General Officer Commanding, Home District.

18.

(London, 16—2463.)

Sir,
 WITH reference to War Office letter of the 27th September last (London, 16—2483) relative to the occupation of Bethnal Green Barracks by the managers of St. John's National Schools, I am directed by the Secretary of State for War to ask when the draft agreement may be expected.

I am, &c.
 (signed) *G. Hildebrand,*
 Deputy Inspector General of Fortifications.

The General Officer Commanding, Home District.

19.

From General Officer Commanding, Home District, to Under Secretary of State, War Office, London, S.W.

Sir,
 IN reply to your letter of 11th December (London, 16—2483), I have the honour to report that so far I have been unable to obtain return of the draft agreement for the occupation of Bethnal Green Barracks from the managers of St. John's Schools.

I have reason to believe that they have been in communication with the War Office through another channel.

I have, &c.
 (signed) *S. Waller,*
 Colonel Commanding Royal Engineers.
 For Major General Commanding, Home District.

20.

(London, 16—2498.)

Sir,
 WITH reference to your letter of the 1st instant (R.E.—2132) relative to the occupation of Bethnal Green Barracks by the managers of St. John's National Schools, I am directed by the Secretary of State for War to request that you will inform the managers of the schools that the agreement must be accepted, or the buildings vacated, and the rent due paid without delay.

2. I am to ask you to report on the 1st February what is the result of your communication.

I am, &c.
 (signed) *G. Hildebrand,*
 Deputy Inspector General of Fortifications.

The General Officer Commanding, Home District.

21.

(R.E.—2237.)

From General Officer Commanding, Home District, to Under Secretary of State, War Office, London, S.W.

Sir,
 WITH reference to your letter of the 17th ult. (London, 16—2498) concerning the occupation of Bethnal Green Barracks by the managers of St. John's National Schools, I have the honour to forward herewith a copy of a reply which has been received from the secretary in answer to a letter from the Commanding Royal Engineer enclosing a copy of the War Office letter above quoted.

2. As regards his statement that the managers only occupy a portion of the building, I would refer you to my letter of the 16th May 1899 (R.E.—1367), as it was this that induced me to propose in the first instance a reduction of the rent from 90l. to 50l..

I have, &c.
 (signed) *S. Waller,*
 Colonel Commanding, Royal Engineers.
 For Major General Commanding, Home District

31-1-1900.

Enclosure.

1, Whitefriars Street, London, E.C.,
31 January 1900.

Dear Sir,

IN further reply to your letter of January 18th re hire of Bethnal Green Militia Barracks for use as schools.

I am informed by Lord Hugh Cecil, one of the members of our committee, that he is in communication with the Under Secretary of State for War in connection with this matter, but that owing to the illness of some gentleman in the Treasury he has not yet been able to get the matter attended to.

May I point out to you that in whatever way this matter is settled it would not be fair to charge us the whole of the rent mentioned in the draft agreement. That agreement specifies rent for the whole of the premises, viz.:—those in Victoria Park Square and those in Globe Road, as is clearly shown by the sketch appended to the draft agreement. Two or three months ago, owing to a portion of the Globe Road premises being very damp, we tried to use the Victoria Park Square premises, but were told that instructions had been given that we were not to have them. It is clear, therefore, that if it is settled that we are to pay a certain rent for the whole of the premises, it would not be fair that it should be charged until we really take occupancy of them.

Further, with regard to the caretaker. We have been providing our own caretaker, and the caretaker the War Office left there has been there for its own convenience and not ours. It is not reasonable, therefore, that we should have to pay your caretaker and our own too.

I would again point out that at the time we first entered into negotiations with the War Office about these barracks, we quite understood that we were to have them without rent, it being for a public elementary school, and thus for public benefit, and of no profit whatever to any of the managers.

I am writing you to-day as I understand you wanted to give an answer on the 1st February, and I will write you again as soon as I hear the result of Lord Hugh Cecil's interview.

Colonel Waller, R.E., 41, Charing Cross, S.W.

Yours, &c.
(signed) *D. J. Keymer*,
Hon. Secretary, St. John's School Committee.

22.

(London, 16—2503.)

Sir,

War Office, Horse Guards, 27 March 1900.

WITH reference to your letter of the 2nd ultimo (R.E.—2237), relative to the occupation of Bethnal Green Barracks by the managers of St. John's National Schools, Bethnal Green, I am directed by the Secretary of State for War to inform you that as the managers of the schools have been given every opportunity to discharge their liabilities as regards the occupation of the barracks in question, if up to the present time they have not done so, I am to request that you will call upon them to at once vacate the buildings and to pay the arrears of rent due.

2. A definite date, say ten days or a fortnight hence, should be fixed for compliance with the notice, and a report made of the result. If no action is taken by the managers a copy of the notice should be forwarded with the report.

3. I am to return the accompanying letter from Lord Hugh Cecil to the Commanding Royal Engineer.

General Officer Commanding, Home District.

I am, &c.
(signed) *G. Hillebrand*,
Deputy Inspector General of Fortifications.

Enclosure.

(2503.)

20, Arlington Street, S.W.,
1 February 1900.

Dear Sir,

I HAVE heard from Mr. Keymer to-day, and observe that he has not quite clearly stated to you what has taken place. I have made an application to the Treasury urging the injustice of the claim made upon the St. John's Schools for rent, and that application is still under the consideration of the Treasury. I desire to apply to the War Office through you, on behalf of the managers, not to press for the signature of the agreement until the Treasury has come to a determination upon what I have laid before them.

I also desire to draw your particular attention to the point which I understand Mr. Keymer has just raised. Apart from the other arguments that have been brought before the War Office and Treasury, there is this further point, that we have not been allowed to use for the school the whole of the premises for which rent is now demanded. This is plainly a most important consideration, and on behalf of the managers I must ask you to bring it to the notice of the War Office, in order that the Secretary of State may determine whether we are to be charged a full rent for half the accommodation. The extraordinary and unreasonable injustice of the demands which have hitherto been made upon us forbid me to feel confidence as to the answer, but the most ordinary principles of equity would surely imply that a full rent should only be charged for full accommodation.

I shall be greatly obliged if you will in future address all communications on the subject to me, as the matter is in my hands, and it is not desirable that communications should go through two channels.

Apologising for troubling you at this length,

I remain, &c.
(signed) *Hugh Cecil*.

Colonel Waller, R.E.

23.

From General Officer Commanding, Home District, to Under Secretary of State, War Office, London, S.W.

Sir,

Home District Office, London, 10 April 1900.

WITH reference to your letter of the 27th ultimo (London, 16—2503), concerning the occupancy of the Bethnal Green Barracks by the managers of St. John's School, I have the honour to forward a copy of the correspondence which has passed between Lord Hugh Cecil, as representing the managers, and the Commanding Royal Engineer.

2. The managers have vacated the barrack, and have done no material damage during their occupancy.

3. They still, however, as will be seen from Lord Hugh Cecil's letter of the 2nd April, demur to paying any rent.

I have, &c.
(signed) *S. Waller*,
Colonel Commanding Royal Engineers,
For the General Commanding, Home District.

Enclosure.

Royal Engineers' Office, 41, Charing Cross, S.W.,
28 March 1900.

My Lord,
WITH reference to your letter of the 1st February concerning the occupancy of Bethnal Green Barracks by the managers of St. John's National Schools, I have now to forward to your Lordship a copy (enclosed) of instructions in the matter received this day from the War Office.

I would suggest the 14th April as a date when I trust the managers will be able to vacate the premises without undue inconvenience.

The Lord Hugh Cecil,
20, Arlington Street, S.W.

I remain, &c.
(signed) S. Waller,
Colonel Commanding Royal Engineers, Home District.

Enclosure (see 22).

(R.E. 110.)

(London, 16—2503.)

War Office, London, S.W., 27 March 1900.

Sir,
WITH reference to your letter of the 2nd ultimo (R.E.—2237) relative to the occupation of Bethnal Green Barracks by the managers of St. John's National Schools, Bethnal Green, I am directed by the Secretary of State for War to inform you that as the managers of the schools have been given every opportunity to discharge their liabilities as regards the occupation of the barracks in question, if up to the present time they have not done so, I am to request that you will call upon them to at once vacate the buildings and to pay the arrears of rent due.

2. A definite date—say 10 days or a fortnight hence—should be fixed for compliance with the notice, and a report made of the result.

* * * * *

The General Officer Commanding,
Home District.

I am, &c.
(signed) G. Hildebrand,
Deputy Inspector General of Fortifications.

Enclosure.

20, Arlington Street, S.W., 29 March 1900.

Dear Sir,
I AM greatly obliged for your letter.

I ought to have informed you some days back that we have vacated the barracks, and the question is therefore at an end.

Colonel Waller.

I am &c.
(signed) Hugh Cecil.

Enclosure.

(R.E.—110.)

Royal Engineers' Office, 41, Charing Cross, S.W.,
30 March 1900.

My Lord,
I AM in receipt of your Lordship's letter of the 29th instant, stating that the Bethnal Green Barracks were vacated some days back.

Your Lordship does not inform me as to the intentions of the managers as regards paying rent which is demanded in the War Office letter, a copy of which accompanied my letter of the 28th instant.

The Lord Hugh Cecil,
20, Arlington Street, S.W.

I remain, &c.
(signed) S. Waller,
Colonel Commanding Royal Engineers, Home District.

Enclosure.

20, Arlington Street, S.W., 2 April 1900.

Dear Sir,
In my view the question of rent does not arise. The terms of our tenancy were still under discussion when we vacated the barracks. Under the circumstances, the War Office has no legal claim for anything except what damage may have been done during our occupancy. I understand that that has been carefully looked to, and every repair has been made.

I need scarcely add that I think that the attitude of the War Office has been unreasonable and niggardly: that I maintain absolutely that they ought to have admitted us rent free from the first; and that I resent the letter that you communicated to me two days ago requiring us to vacate the barracks.

In making these observations, of course it will be understood that I have nothing but gratitude to you personally and to others with whom we have corresponded for their kindness and courtesy.

My indignation is aroused by the official attitude of the War Office and Treasury.

I am &c.
(signed) Hugh Cecil.

(London, 16—2518.)

24.

War Office, London, S.W., 12 June 1900.

Sir,
In reference to your letter of the 29th July 1899 (12,410—99), respecting the temporary occupation of Bethnal Green Militia Barracks by the committee of the St. John's National Schools, Bethnal Green, I am directed by the Secretary of State for War to acquaint you, for the information of the Lords Commissioners of Her Majesty's Treasury, that the school committee were duly informed that they would be required to pay the full rent of 90l. per annum, together with the whole cost of the caretaker, in accordance with their Lordships' decision.

The committee, however, raised continued objections to sign an agreement on this basis, and prolonged the negotiations until, on the 29th March last, Lord Hugh Cecil, M.P., acting on their behalf, reported that the premises had been vacated some days prior to that date.

On being appealed to for payment of the rent required for the premises to the date of termination of the tenancy, Lord Hugh Cecil replied that in his view the question of rent did not arise, that the terms of the tenancy were still under discussion when the barracks were vacated, and that under the circumstances the War Office had no legal claim for anything, except for what damage might have been done during the occupancy, which, however, had been carefully looked to and every repair made.

The Treasury Solicitor advises that the War Department is not in a position to take legal proceedings for the recovery of the rent demanded with any reasonable prospect of success.

In connection with the earlier negotiations, however, the secretary to the committee, writing on the 10th May 1899 in regard to the smaller rent originally proposed, observed as follows:—"You may, of course, rely that if it is decided that the 50*l.* per annum has to be paid, my committee will not raise any difficulty over the matter," and the Treasury Solicitor thinks that if this letter was written by direction of the committee they would be bound by it.

Taking into consideration all the circumstances of the case, however, Lord Lansdowne is of opinion that it would not be desirable to resort to legal proceedings, and in view of the fact that the War Department have not suffered any actual loss by the school tenancy, he considers that no further steps should be taken in the matter.

I am accordingly to request their Lordships' sanction to the adoption of this course.

The Secretary, Treasury.

I have, &c.
(signed) *H. de la Bère.*

25

(10,319—1900.)

Sir

Treasury Chambers, 29 June 1900.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acknowledge the receipt of Mr. de la Bère's letter (London, 16—2518) of the 12th instant, further respecting the occupation of Bethnal Green Militia Barracks by the committee of the St. John's National Schools, Bethnal Green; and I am to request you to inform the Marquess of Lansdowne that their Lordships have caused copies of the correspondence to be sent to the Comptroller and Auditor General for his information.

The Financial Secretary, War Office.

I have, &c.
(signed) *R. W. Hanbury.*

26.

War Office to Treasury.

(London, 16.)

Sir,

War Office, 5 June 1901.

WITH reference to your letter of the 29th June last (No. 10,319—1900), and previous correspondence on the subject of the occupation of the Bethnal Green Barracks by the St. John's National Schools, I am directed by the Secretary of State for War to inform you that, on his attention being drawn to the matter, he found that the War Office were advised that no legal claim for rent could be enforced against the school committee; but at the same time he considered, in view of the letter from Mr. Keymer, the honorary secretary to the schools, dated the 10th May 1899, that the committee was morally bound to pay a sum of 50*l.* for the use of the barracks.

The Secretary of State accordingly drew Lord Hugh Cecil's attention to Mr. Keymer's letter, and Lord Hugh Cecil at once paid the sum in question, stating that he would always have been willing to respond to an appeal made on the ground of honourable obligation as distinct from legal right. The committee at the same time intimated that, while feeling themselves bound by Mr. Keymer's letter, they do not depart from the opinion that they ought, in reason and equity, to have been allowed to occupy the barracks rent free.

Mr. Secretary Brodrick considers, and trusts their Lordships will agree with him, that the matter is one which cannot, under the existing circumstances, be carried further.

The Secretary to the Treasury.

I am, &c.
(signed) *Frank T. Marzials.*

APPENDIX, No. 7.

PAPER handed in by Sir *Edward Hamilton* K.C.B.

MEMORANDUM ON BROADMOOR CRIMINAL LUNATIC ASYLUM.

THE Estate includes about 396 acres, of which, speaking roughly, 106 acres are within the walls of the Asylum, and cultivated as a vegetable garden, 189 acres are employed for farm purposes, and 101 are uncultivated.

The operations on the farm and garden are mainly carried on for supplying the Asylum with vegetables, milk, pork, and other farm produce, which would otherwise have to be obtained from a distance at enhanced prices, and also for the disposal of sewage. The refuse food from the Asylum is also consumed in the piggeries; and the income derived from this branch of business is principally relied upon to meet the farm expenses.

The net loss in 1899-1900 is attributable to a failure of the hay and root crops through drought, and the consequent necessity for purchasing food for the cattle, and also to a temporary discontinuance of pig-keeping in consequence of swine fever.

It should be pointed out that the farm is not carried on as a commercial business, and that the accounts are framed to exhibit the results of the year's operations rather than a profit and loss based on commercial principles.

Low prices are charged to the Asylum for milk and vegetables, &c., and the farm teams are largely employed in conveying stores from the railway to the Asylum, with the result that the substantive charges against the Victualling and Stores Sub-heads of the Vote are considerably reduced.

On the other hand the farm gets the free benefit of the services of the officer who acts as bailiff and of the labour of patients in the garden, as well as of the refuse food supplied to the piggeries. It is also free from any charge for rent and taxes.

Treasury Chambers,
10 July 1901.

P. W.

— 1000 —

I N D E X.

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Explanatory statement on the subject of the payment by Government of rates on houses occupied by Representatives of Foreign Powers, *Sir E. W. Hamilton*, 2075-2080—Recovery of the rates paid on Royal Palaces where people are allowed residence by "grace and favour," *ib.* 2081-2085.

Receiver of Hereditary Revenue. Intended abolition of the office of "Receiver of Hereditary Revenue," *Sir E. W. Hamilton* 2138.

Reformatory Schools. Very satisfactory annual increase in the amount of contributions by the parents of children who are in Reformatory and Industrial Schools, *Byrne* 2162-2165.

Regimental Charitable Funds. Smallness of the sums involved in the case of some unintentional misapplications of charitable funds intended for the benefit of non-commissioned officers and soldiers; promised enforcement of a new regulation on this subject, *Marzials* 1551-1559.

Registrars (High Court). Payment by salary in the case of the Registrars of the High Court, the amount being fixed by the Lord Chancellor, subject to approval by the Treasury, *Sir E. W. Hamilton* 2267-2269.

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Rhodesia. Reference to the salaries of some police officials in Rhodesia as being an Imperial charge, *Engelbach* 2480-2482; *Sir E. W. Hamilton* 2483, 2484.

Richardson, Colonel Sir Wodehouse D., K.C.B. (Digest of his Evidence.)—Witness, who was Deputy Adjutant General for Supplies and Transport at the Cape from the beginning of October 1899, submits detailed explanations in connection with a contract made by him with the Cold Meat Storage Company for the supply of dead meat to the troops in the field, 1156 et seq.

Evidence to the effect that after the final settlement of the contract witness distinctly understood that the contractors were to be at liberty to supply refrigerated meat

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as well as fresh meat; important advantages claimed for the former, whilst its lower price was duly taken into consideration in fixing the contract price at 11d. per lb., 1157 *et seq.*—Examination respecting the communications between the Military Authorities in South Africa and the War Office respecting the terms of the contract, witness explaining that in the first instance he did not contemplate any supply of frozen meat though it was eventually included under the terms "Beef and Mutton," whilst he justifies the supply on several grounds, 1157 *et seq.*

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*Richmond Douglas Close. (Digest of his Evidence.)—*Several accounts of War Office expenditure in 1899–1900 not yet received for audit, 813, 814—Inability of witness' Department to verify in detail from the War Office books the accuracy of a total expenditure of about 22,790,000*l.*; he has satisfied himself that the proper sums are charged in the Appropriation Account, 826–828. 832–834.

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to an inquiry by the Treasury, resulting in the detection of long standing deficiencies in the registrar's accounts, 2280-2282—Approval of the discontinuance of a certain detailed statement respecting the expenditure in connection with consular fees, 2353, 2354.

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Royal Irish Constabulary. Information respecting the case of a lunatic member of the Royal Irish Constabulary whose pension cannot be paid because he cannot give a legal discharge; expediency of a recommendation by the Public Accounts Committee that a receipt may be accepted from the lunatic's brother who now supports him, *Sir E. W. Hamilton* 2545-2560—Readiness of witness to act upon a recommendation from the Committee in this matter, *Richmond* 2555.

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Royal Parks and Pleasure Grounds. Charge under Maintenance and Repairs of the cost of wood paving from Marlborough Gate to Buckingham Palace Gate, reason for transfer of the charge from "New Works," *Viscount Esher* 1837-1841.

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Ruggles-Brise. (Digest of his Evidence.)—Several causes of delay in the commencement of work at Brixton Prison, so that the Vote taken was in excess by about 10,000*l.*; 2356, 2357—Great difficulty in accurately estimating the work to be done in the prisons and the Appropriations-in-Aid to be received from different public Departments, 2358-2376.

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Saddlery (Army Stores). Explanation as regards a supply of saddlery for the Rhodesian Force, obtained through the British South African Company at an enhanced price, that there was immense and exceptional pressure at the time and that the War Office could not meet the sudden demand out of their own stores or by new contracts, *Marzials* 1334-1350.

St. Vincent. Explanation on the part of the Colonial Office respecting sums in hand on account of Central Sugar Factories and Hurricane Relief, St. Vincent, *Engelbach* 2490-2493.

Salaries and Expenses (Civil Departments). Abstract statement showing the appropriation of Grants and Receipts in aid of Grants for the year 1898-99, *App.* 207, 208.

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Salford Barracks. Deduction from the sum voted for barracks of a payment of 38,500*l.* received from Manchester Corporation for Salford Barracks, *Marzials* 1641-1643.

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Salt Beef. Varying periods, up to several years, for which salt beef for the Navy remains serviceable, *Yorke* 528, 529, 541.—See also *Meat Contract (South Africa)*.

Savings Banks and Friendly Societies. Explanation that a sum of 697*l.* has already been voted in respect of the excess deficiency upon this service, *Hervey* 2562–2564.

Savings (Votes and Appropriations-in-Aid). Return showing the sums written off from Exchequer Grant Accounts together with the sums paid to the Exchequer in respect of savings on Votes and Appropriations-in-Aid realised in excess of Estimate for the year 1898–99; total of 735,894*l.* 15*s.* 7*d.*, *App.* 205.

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School of Art Wood Carving. Grounds for the abandonment of a claim for 78*l.* against the School of Art Wood Carving in respect of accommodation at the Imperial Institute, *Viscount Esher* 2010, 2012, 2013, 2015, 2018, 2019; *Sir E. W. Hamilton* 2011, 2012, 2014, 2016–2018.

Science and Art Department. Reference to some Grants-in-Aid, Department of Science and Art, as having the advantage to the Department in so far as any unexpected balance need not be surrendered at the end of the year, *Sir G. W. Kekewich* 2318; *Sir E. W. Hamilton* 2319–2323.

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Small Arms Factory (Birmingham). Satisfaction expressed generally with the explanation received as to the different valuation of handguards at Birmingham Small Arms Factory and at Enfield; arrangement for preventing discrepancies in future, *Richmond* 1794–1810, 1814, 1815—Absence of any surplus waste material at the Factory at Birmingham; new arrangement as regards the wood used for handguards, *Bainbridge* 1811–1813, 1816, 1817.

Soudan Campaign. Explanation as to the extent of delay in the payment of gratuities to troops engaged in the Soudan Campaign of 1898, *Marzials* 932–941.

South Africa. Necessary postponement of information respecting certain arrangements with regard to the Cape and Natal Railways, *Richmond* 1351, 1352—Treasury satisfaction as regards the amount of commission to bankers for taking out specie for the purchase of mules and horses for South Africa, *Chalmers* 1411—Careful and detailed check applied by the Treasury with respect to the charge for the transfer of large sums of money to different districts in Natal, Cape Colony, &c., *ib.* 1414–1417.

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Explanations in connection with correspondence between the War Office and Treasury on the subject of the expenditure on field intelligence in South Africa, the certificate of the Secretary of State being accepted as a voucher for such expenditure, *Chalmers* 1560–1575. 1579—Increase from 300*l.* to 1,000*l.* a quarter, with Treasury sanction, in the amount allowed to be expended by the officer commanding an Army in the field, *ib.* 1564, 1565—Necessary postponement till the end of the War of any complete stock-taking of the stores in South Africa, 1582.

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Spurn Point. Abandonment for the present, by the Board of Trade, of the construction of the new "groyne" at Spurn Point, *Fry* 2073, 2074.

Stair, Alfred. (Digest of his Evidence.)—Explanation (on the part of the Inland Revenue Department) as regards the excess of Estimate for "Commuted Allowances to Assessors and Collectors of Taxes"; payment of the collectors in Ireland by poundage, but not in England, 2630–2635—Cause of the large under-estimate for "Law Charges," 2636, 2637—Considerable increase of payments for detection of illicit distillation in Ireland, 2638–2640.

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Superannuation and Retired Allowances. Explanation upon certain items under the Vote for Superannuation and Retired Allowances (Civil Service); invariable rule that in cases where there are special payments in addition to pensions the two must not exceed the former pay, *Sir E. W. Hamilton* 2575-2595—Advantage in such special payments being shown in connection with the Estimates instead of separately in the Appropriation Accounts, *ib.* 2577. 2585-2590. 2596.

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Exceptional circumstances under which the Imperial Yeomanry Committee were allowed to engage the "Lusitania" as a transport, whereas a fine of 4,800*l.* had to be paid for cancelling the charter, the cost having fallen upon the Government, *Marzials* 1435-1443.

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Treasury Chest. Explanation as regards the transfer of money from the Treasury Chest or the sub-Treasury Chest to the Army Accountants being a War Office charge, *Marzials* 1419-1422—Explanation as regards the loss in respect of the Treasury Chest and the transmission of specie to South Africa, Hong Kong, &c., *Sir E. W. Hamilton* 2683-2693.

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Brought from the Lords, 17 August 1901.

R E P O R T

FROM THE

SELECT COMMITTEE OF THE HOUSE OF LORDS

ON

B E T T I N G ;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

M I N U T E S O F E V I D E N C E .

Session 1901.

*Ordered, by The House of Commons, to be printed.
17 August 1901.*

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1901.

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ORDERS OF REFERENCE.

Die Lunæ, 20^o Maii 1901.

Moved; That a Select Committee be appointed to inquire into the increase of public betting amongst all classes, and whether any legislative measures are possible and expedient for checking the abuses occasioned thereby (The Lord Bishop of Hereford); after debate, *agreed to*, and ordered accordingly.

Die Veneris, 28^o Junii 1901.

The Lords following were named of the Select Committee, viz. :—

Earl of Derby.
Earl of Harewood.
Earl of Durham.
Viscount Cobham.
Viscount Gordon.
(*Earl of Aberdeen.*)

Viscount Peel.
Lord Bishop of Hereford.
Lord Newton.
Lord Davey.

The Committee to appoint their own chairman.

Die Lunæ, 1^o Julii 1901.

Select Committee to meet on Monday next, at a quarter before Four o'clock.

Die Martis, 16^o Julii 1901.

The evidence taken before the Select Committee from time to time to be printed, but no copies to be delivered, except to Members of the Committee, until further order.

R E P O R T

BY THE SELECT COMMITTEE appointed to inquire into the increase of Public Betting amongst all classes, and whether any Legislative measures are possible and expedient for checking the abuses occasioned thereby.

ORDERED TO REPORT—

THAT the COMMITTEE have met and have examined two witnesses.

They are of opinion that, having been appointed at a late period in the Session, it is not possible to bring their inquiry to a satisfactory conclusion during the present Session. They therefore recommend that they should be reappointed during the next Session of Parliament.

The Committee have directed the Minutes of Evidence and Proceedings to be laid before your Lordships.

22 July 1901.

LORDS PRESENT, AND MINUTES OF THE PROCEEDINGS AT EACH
SITTING OF THE COMMITTEE.

Die Lunæ, 8^o Julii 1901.

PRESENT :

Earl of Derby.
Earl of Harewood.
Earl of Durham.
Viscount Gordon (*Earl of Aberdeen*).

Viscount Peel.
Lord Bishop of Hereford.
Lord Davey.

The Order of Reference is read.

It is moved, That the Earl of DURHAM do take the Chair.

The same is *agreed to*.

The Course of Proceedings is considered.

Ordered,—That the Com.nittee be adjourned to Monday next, at Twelve o'clock.

Die Lunæ, 15^o Julii 1901.

PRESENT :

Earl of Derby.
Earl of Harewood.
Viscount Gordon (*Earl of Aberdeen*).

Viscount Peel.
Lord Bishop of Hereford.
Lord Davey.

The Earl of DURHAM in the Chair.

The Order of Adjournment is read.

The Proceedings of Monday last are read.

The Course of Proceedings is further considered.

It is moved, That the Committee be an open one.

The same is *agreed to*.

The following Witness is called in, and examined, viz. : Mr. *John Hawke* (*vide* the Evidence).

Ordered, That the Committee be adjourned to Monday next, at Half-past Two o'clock.

Die Lunæ, 22^o Julii 1901.

PRESENT :

Earl of Harewood.
Viscount Gordon (*Earl of Aberdeen*).
Viscount Peel.

Lord Bishop of Hereford.
Lord Davey.

The Earl of DURHAM in the Chair.

The Order of Adjournment is read.

The Proceedings of Monday last are read.

The following Witness is called in, and examined, viz. : Mr. *G. H. Stutfield* (*vide* the Evidence).

A Draft Report is laid before the Committee, and *agreed to* (*vide* the Report).

Ordered, That the Lord in the Chair do make the said Report to the House.

MINUTES OF EVIDENCE.

LIST OF WITNESSES.

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Die Lunæ, 15° Julii 1901.

LORDS PRESENT:

Earl of DERBY.

Earl of HAREWOOD.

Earl of DURHAM.

Viscount GORDON (*Earl of Aberdeen*).

Viscount PEEL.

Lord Bishop of HEREFORD.

Lord DAVEY.

THE EARL OF DURHAM IN THE CHAIR.

MR. JOHN HAWKE is called in; and Examined, as follows:

Chairman.

Lord Davey.

1. You are, I believe, the honorary secretary of the National Anti-Gambling League?—I am.

2. I have before me an abstract of the evidence which you propose to give. Are you prepared to make a general statement to us or would you wish to take the different points in order as set out in your abstract. I see you commence with the point of the prevalence of betting at the present time?—I have noted, as the first point, the prevalence of street betting, unless the Committee wish me to give a general statement in the first instance.

3. You would wish to deal first with the point of street betting?—Yes. Street betting has become very prevalent in all parts of the United Kingdom, as is shown by the very large number of cases, particularly in the police courts, both in London and in the provincial towns of all sizes. I do not know whether the Committee would like me to give instances—we have recorded a very considerable number of instances; but perhaps the magistrates themselves—if the Committee propose to call them—would be the best persons to state how their courts are taken up by the prevalence of street betting.

4. Yes, we should prefer to have evidence at first hand upon that subject?—Quite so. I may say with regard to my personal evidence, I myself have investigated the system to a certain extent in London. On the 5th of June this year I took the opportunity of going to St. Giles' in the Fields, Bloomsbury; and I noticed there (I made these notes at the time so that it is personal evidence as your Lordship suggests) a young bookmaker of 25 years of age taking coppers from a boy of apparently about 12 years of age. Then I noticed two more boys who may have been 14 or 15 years of age handing him coppers. I then saw another bookmaker, a respectable looking man, of, I should think, 60 years of age; he was discussing with a labourer who, I should say, was a man of 45 years of age, the betting column in the "Evening News." Then I saw a boy of perhaps 16 making deposits with a bookmaker—

(A.26.)

5. How do you know he was a bookmaker?—Well, I saw they had a copy of the "Evening News," and that they were discussing the betting columns. I also saw numerous instances of these small sums of money being received. I was taken there by a person who, if he has not been a bookmaker, has been a betting man, and who showed me round the neighbourhood. Of course these street bookmakers wear nothing to show that they are bookmakers as they sometimes do perhaps in the ring at races.

Chairman.

6. As I understand nothing passed, no tickets or anything of that sort changed hands?—No tickets. Apparently only money and a piece of paper. I saw the coppers themselves in some instances. There were five or six boys one after another going to this bookmaker, and one of them was a very little chap. I do not think he could have been, so far as I could judge, older than ten. I saw in the churchyard there were two seats and I had the curiosity to walk round the churchyard, and I overheard some of the conversation, and it all seemed to be about horse races, and I noticed sporting papers in the hands of the persons sitting there, but I do not think there was any betting in the churchyard. There is a rail round the churchyard at which those who received deposits stood, and a number of the public went up to them. I called the attention of a policeman to the fact, and he said they knew that a good deal of betting went on; but if a policeman was in uniform he had great difficulty in doing anything; they had succeeded in fining some of the men, but in future there would have to be plain clothes men to do it, owing to their very clever system of scouting, which I myself saw. It was observed after a time, either on that day or the following day, when I also went to the neighbourhood, that I was a suspicious-looking sort of person, and I heard the expression "a split," as I passed by, and after that I saw a man stationed at the corner of the street. The name of the streets I

A 2

could

15 July 1901.]

Mr. Hawke.

[Continued.]

Chairman—continued.

could give, but really this takes place I think in almost every neighbourhood, so that the names would not be of interest to the Committee. They have men stationed at the corners of the streets who by signalling with their arms show when any policeman in uniform, or anyone in plain clothes whom they suspect to object to street betting, is passing; and then the men have warning, and they drop their practice for a time. The particular policeman to whom I spoke seemed very willing to do all that he could, and he said he would report what I told him to his superior; but he said the scouting was so well paid for, (he believed that 4*l.* to 5*l.* a week was sometimes paid between the scouts employed in this neighbourhood), so that there was great difficulty in dealing with it, and some of the men did not mind the 5*l.* fine.

7. There is a bye-law which deals with this street betting, is there not?—I was about to say that bye-laws are really almost the only way of now dealing with street betting, except that in certain municipalities they have sometime ago passed special Acts which enable them to deal with it chiefly as a nuisance. But the bye-law which was commenced, I think in Wolverhampton, and which the association, with which I am connected, have done all they possibly can to get other municipalities and County Councils to pass, is the chief way of dealing with street betting. The regulation has now been passed in about a hundred of the principal towns and the smaller towns and counties, and continues to be passed, and is, to a certain extent, efficient; but the magistrates (and again I may say we have recorded the statements of the magistrates in the matter—they are gentlemen who are well known, and their exact words are recorded in the book I have here, if you like to hear any of them) say that the bye-law is insufficient because the profits of this business are so large that the men do not mind the fine—in fact, they look upon it as a sort of rental for the streets.

Lord Davey.

8. Is there a bye-law of the London County Council or any other body in London regarding street betting?—The London County Council has passed this bye-law.

9. Have you got a copy of it with you?—Yes.

10. Do you propose to put it in, or perhaps we shall get it from some other source?—Yes. We have recorded in our magazine, "The Bulletin," published half-yearly, 1893-1901, the precise words of the bye-law, and I may add there is an enormous amount of information in this bound volume, which I have indexed, and, if the Committee have no objection, I think it would be very useful to them if I were allowed to put it in. Many years' labour has been spent upon it. Of course, if it is said to be *ex parte* evidence, it can be taken for what it is worth; but I am sure your Lordships would find it very useful to refer to for general information on this subject (*handing in copies of the book*). In the index, under "Bye-laws," and "Street Betting," you will notice very numerous references. I was only going to call attention to page 221 at the end of the second portion of the volume.

11. Where is the bye-law against street betting to which you refer?—The text of the bye-

Lord Davey—continued.

law is given on the top of the same page, 221: "No person shall frequent and use any street or other public place on behalf either of himself or of any other person, for the purpose of bookmaking, or betting, or wagering, or agreeing to bet, or wager with any person, or paying, or receiving, or settling bets."

Lord Bishop of Hereford.

12. Is that the London bye-law?—They differ very little. That is the text of nearly all of them—there are certain unimportant differences. This is one that has been four times approved by the Courts and in the Court of Appeal. The bookkeepers were afraid that it would do their business a good deal of harm, and they have four times appealed, and finally to the Court of Appeal; but in all cases it has been affirmed unanimously by the judges. I was going to ask your Lordships to let me call attention to the fact that Lord Russell of Killowen, the late Lord Chief Justice, in the first of the opinions quoted on page 221, said: "Street betting is a most undesirable practice. A state of things exists which if it can be stopped ought to be stopped."

Lord Davey.

13. Do you make yourself responsible for the correctness—I do not say of the opinions—but of the facts stated in this volume which you have put into our hands?—I am very confident that very little will be found wrong in that magazine—

14. That is not quite my question. I want to know whether you put this into our hands as something for the accuracy of which you are prepared personally to vouch?—Yes, I may say so.

15. You do say so?—Yes.

Earl of Aberdeen.

16. You were going to say something with a view to showing why you have such confidence in the accuracy of the statements there?—We have taken very great pains not to exaggerate in any of the statements. I think we have often understated matters which we might have put higher, owing to the wish not to appear to exaggerate; and the observations of the judges and of the magistrates are quite as strong or stronger than anything we have said. The late Sir James Vaughan, of Bow Street, on having these men before him, said: "It is sapping the vitals of the nation. I wish it were in my power to impose a higher penalty for street betting." Mr. Horace Smith, a very experienced London stipendiary magistrate, says: "Nearly every case of embezzlement I try has resulted from betting, and then to pay their losses they rob their employers." Your Lordships will see there opinions expressed by a great number of the most experienced magistrates both in London and the country, and also by coroners. Sir John Bridge said: "The 5*l.* fine is too small in view of the large profits." I do not know that the Home Office has the power to allow a municipality to increase the fine, because the power to fine to the extent of 5*l.* is given under Section 23 of the Municipal Corporations Act, 1882, and, from looking at the Act, I think there is no power to make the fine larger. But in the Blackpool Improvements Bill, before a Committee of the House of Commons this session, it was proposed that

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Mr. HAWKE.

[Continued.]

Earl of Aberdeen—continued.

that they should have a clause enabling the magistrates in Blackpool to imprison the street book-makers; but the Home Office was unwilling to agree to this, and a compromise was arrived at by which the fine on a second conviction should be increased to 10*l.*, and on a third conviction to 50*l.* Your Lordships may perhaps be aware of that, as it has recently appeared in the accounts of the meeting of the Committee in the newspapers. Upon the question of street betting the only other note I have was to ask the Committee whether they would like me to suggest the names of magistrates and others who have great experience of these matters, or whether they would leave that to be done subsequently by letter or otherwise. I could give the names of magistrates who have a great many of these cases before them if the Committee desire to have them either now or later.

Chairman.

17. I think it would be better if you gave us a list later?—Certainly.

18. Have you any remedies to suggest for this street betting beyond what you have mentioned in regard to the Blackpool Improvements Bill?—I think the suggestion of the Blackpool Improvements Bill is a very good one; but the profits of this street betting are so large, I am afraid nothing effectual will be done until men who carry on the profession of betting in the streets are imprisoned, at all events for a second or third offence. The profits are sometimes enormous, as your Lordships will hear from the magistrates, and the way in which the fines are paid. On one occasion, for instance, a bookmaker hands in a 10*l.* note, and says he does not want change, but asks the magistrate's clerk to put it in the poor box. Another says he hopes he will not have to come to the Court next time, as he is always willing to send his clerk with the 5*l.* whenever he may be summoned. And so on.

Lord Bishop of Hereford.

19. How do things stand with regard to the right of search at present?—Things seem to be in a very doubtful position with regard to the right of search. So far as I can understand, in some districts they search a man and in some they do not like to search a man. It is most desirable that the right of search should be given. I do not know that I can go further than that, or in the way of suggesting how it should be given. It would greatly take from the difficulties of the police if the right of search were given.

20. The great difficulty is in getting evidence, is it not?—Well, in some parts that is so; but generally speaking the bye-law is pretty freely acted on. The number of convictions is enormous. I think in one town the fines came to 1,000*l.* in a few months. That was in Birmingham.

Lord Davey.

21. I see in this bye-law of the London County Council which you have read it does not mention what the penalty or punishment is, and I suppose there is a general clause providing for the penalties on the infringement of the bye-law?—Yes, the London County Council proposed, for some reason which I do not understand, to make

Lord Davey—continued.

the fine only 2*l.*, but my association wrote and pointed out that that was not enough.

22. Was there a power of imprisonment in default?—No, the Act under which they have that power does not seem to allow that. The London County Council proposed it should be 2*l.*, and we wrote pointing out that 2*l.* was not enough, and so they altered it to 5*l.*, which is the maximum.

Chairman.

23. The next subject in your abstract, I think, is coupon betting. What have you to say regarding that?—Coupon betting has developed into an enormous system owing to the facilities found in the fact that the Post Office forward all letters, and they did until recently forward all circulars under the halfpenny post and anything that was posted containing these coupons.

Lord Davey.

24. Will you be kind enough to explain what you mean by coupon betting, for personally I do not know what coupon betting is? Perhaps you will explain it to us in your own language and then illustrate it?—The newspaper running the coupons offers a very large prize to any person who will name the first, second, and third, or first, second, third, and fourth horses in a particular race. The prizes vary in amount. The largest, I think, was 3,000*l.* upon the Lincoln Handicap, and it goes down to 500*l.* on comparatively unimportant races. I have here a coupon with a prize of 1,000*l.* on such races as the Thorneycroft Maiden Hurdle at Wolverhampton, the Novices' Steeplechase, and the Yuletide Handicap Hurdle. I think in this case it varies a little. You have to be fortunate enough to give the winners in more than one of the small races; but that really is an unimportant particular. This system of coupon betting has been carried on by a man of the name of Stoddart and his family for some 10 years.

25. Then does the competitor who sends in a coupon deposit a sum of money or pay anything?—You may have as many predictions or guesses as you like. This coupon which I have before me contains 48, and you pay a penny on each.

26. You pay a penny on each prediction?—A penny on each prediction. There is no objection to your having a thousand guesses if you like to pay the money, so that it becomes a very serious matter indeed. I have some particulars which may be said to be first-hand, because they are from the shorthand writers' notes of evidence in certain cases.

27. I want to understand the system. May any member of the public send 1*s.* and make 12 predictions?—Yes.

28. And if any of those predictions come right he gets his prize?—Yes, and I think, generally speaking, in the case of this man Stoddart and in perhaps one or two other instances, they do really get the prize. But the chances of being successful are very small indeed, so that a very handsome profit is shown to the newspaper owner. Stoddart and others have been followed by people of less substance, who undoubtedly cheat their customers, and there are constant squabbles about it. But I do not like to say he does not always pay them—he does very frequently pay them, and if there are a large number of successful predictions he divides up the 1,000*l.* between them.

29. That

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Mr. HAWKE.

[Continued.]

Lord Davey—continued.

29. That is just what I wanted to know—whether each successful competitor gets a prize or whether the prize is divided amongst all of them?—It would not pay to give each successful competitor the prize. It is divided up among them. I have examined one newspaper of Stoddart's. "Sporting Luck" is the name of the paper—and found as many as 300 names and addresses of competitors among whom the prize had been divided.

Earl of Harewood.

30. How is it that the Lottery Act does not apply to that style of betting?—It has been held not to be a lottery, because it is not entirely chance. For instance, your lordship might be much better able to predict the winner of a race than I, and therefore there would be some knowledge and skill in the matter. It is quite distinctly laid down in "Sagar v. Stoddart" not to be a lottery, otherwise the Lottery Act would meet it. It has been tried, but unsuccessfully. "Sporting Luck" paid away—this came out in evidence—in 1897 in prizes 10,210*l.*, in 1898 27,500*l.*, in 1899 47,800*l.*, and in the eight months of 1900 up to which the account was taken for the purpose of this trial 46,000*l.*

Lord Davey.

31. You mean those sums were paid by the owner of the newspaper?—Those were the sums paid out. It does not represent his profits, which were anything beyond that, and which, there is good reason to believe, were very considerable, as he gave evidence that he was receiving at the rate of between 2,000*l.* and 3,000*l.* a week.

32. Do you say that he was receiving that in pennies in the week?—In cash or in postal orders. This was a case in which, after having been convicted for doing it in England, he had them sent over to Holland; and so they were nearly all in postal orders averaging about 2*s.* or under 2*s.*

33. How much do you say he received a week?—He received between 2,000*l.* and 3,000*l.* a week.

Chairman.

34. Do the competitors have to make their predictions on a coupon?—No.

35. Do they have to purchase the coupon from the proprietor?—No. In order that there shall be nothing in any way to inconvenience the public he advertises that plain paper will do, but for their convenience he issues coupons either printed in the paper or, as in the instance I have here, printed on thin paper.

Lord Davey.

36. Do you propose to put in a specimen?—I think it would be well, if it is allowed, that I should put in these two specimens of "Sporting Luck" (*handing in the same*). I may say it was shown in this case that between the 8th of March and 3rd of April in this year he received 87,556 postal orders.

37. Where was that shown?—At the Mansion House, before Alderman Smallman, who convicted him, and sentenced him to six months' imprisonment, against which he is appealing to the King's Bench Division.

Chairman.

38. Did all these transactions take place in Holland this year?—Yes, this year. I think they were all in Holland. We successfully prosecuted Mrs. Stoddart last year. Mr. Stoddart put it into the name of his wife, and she was convicted at the Old Bailey of doing it in England. Then he transferred the business to himself, and we prosecuted him for doing it in Holland; and then he transferred the business to his son, who is about 22 years of age, and sent him over to Holland; and he is now appealing on the ground that he has given this business to his son, and that the 2,000*l.* to 3,000*l.* a week which he was receiving he has merely handed over to his son, and he merely puts his son's advertisements in the newspaper. That appeal is coming before the King's Bench Division, and is expected to be heard very shortly, I think.

Lord Davey.

39. If I understand you, you have obtained convictions on this coupon system against newspaper proprietors or editors?—Against its being done in England.

40. So that it is already illegal?—It is illegal. It went before the Court for Crown Cases Reserved; but now Mr. Stoddart is doing it by having the money sent to Holland.

41. That I understand; but I want to understand the exact legal position of this coupon system. It has already been held to be illegal, you say?—It is illegal if carried out in England.

42. Is that under an Act, or is it by the Common Law?—Under the 1853 Betting Act.

43. That is the Betting House Act?—Yes, it is altered now to the Betting Act, as your Lordship knows.

44. That is the same Act as was in question in the Kempton Park case?—Quite so. But the question is under appeal if it is partly done in Holland. While your Lordship is speaking of the state of the law it would be convenient, perhaps, to mention now that a ruling was given by Mr. Justice Bruce and Mr. Justice Phillimore in an action brought by Mr. Stoddart against his printers for refusing to print, after our convictions were obtained; and the Court decided that the advertisements section of the 1853 Act, Section 7, only applied to a Betting House to which persons were invited to resort, and that it did not apply to a Betting House where money was received as valuable consideration on a contingency. If that view of law is to hold good, and if it cannot be reviewed and revised by a full Court of the King's Bench Division or otherwise, the state of things will then be this: that you may carry on this coupon system in Flushing or Boulogne as much as you like, and you can advertise and tempt the British public to go in for it as much as you like, because you are not invited to resort personally to Boulogne or Flushing or elsewhere on the Continent; and therefore the newspapers which publish the advertisements of the coupon betting system cannot be in any way got at. That is a very awkward position, and we hope to be able to bring another case; because the case between Stoddart and his printers was a collusive case which was denounced in Court by our Counsel as a sham. The judges made a note of what was said; but as we had no

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locus standi we could not go further. We hope, however, on the plea that it was a collusive case, we shall be able to bring, or someone will bring, another case to have the matter reviewed and possibly revised.

45. Is Mr. Stoddart "Sporting Luck"?—Yes.

46. That is the paper you have handed in?—Yes. I should like to add that these sporting coupons are not confined to such thoroughly betting sort of papers as "Sporting Luck." I was somewhat surprised to find a paper of the respectability of "Pearson's Weekly" doing the same thing with regard to football.

47. That was held to be illegal, was it not?—It was held to be illegal. It was done in England, and that has been stopped; but I referred to that to show that if the system had not been attacked we might have had a very large proportion of English papers, or a very considerable proportion, doing this sort of thing, and so spreading the system. In the winter Stoddart applies himself to football, so that all the summer he continues it on with regard to racing and all the winter with regard to football.

48. Is there any suggestion you have to make as to any increase of legislative prohibitions of this system? You have told us already it has been held to be an offence within the Betting House Act. Is that sufficient, in your opinion, to stop it?—No. It seems to be absolutely necessary that if these people carry on the business from abroad, and these foreign houses just across the Channel cannot be got at as long as they keep over there, the English papers which put in their advertisements, and which can be got at, ought to be placed under a penalty for doing so.

Chairman.

49. You desire to make advertisements of a foreign business of this description an offence under the English law?—It would be very desirable.

50. That is your object?—Yes. It would be very desirable to make it somewhat wider than that, because these foreign houses are foreign betting houses, and carry on this betting system to an enormous extent not only by coupons, but in other ways; and it seems so very one-sided that we should be able to put down betting houses here but that we should not be able to deal with them in any way working from abroad, because they keep out of the jurisdiction and hold out the temptations through the English Press. The advertisements of foreign betting houses since the unfortunate decision I have mentioned have been increasing. I would like to put in two papers of to-day's date, the "Sportsman" and the "Financial News" (*handing in the same*). These advertisements are not confined to the so-called sporting papers, but such papers as the "Financial News," which one would think had plenty of interests to attend to without foreign betting news, put them in. There are several in this morning's paper which I have handed in. There is also a conspicuous instance in to-day's "Sportsman" of one of the largest of these foreign betting houses. It must be an expensive advertisement. You will see it at the top of the page in the paper I have handed in. The advertisement is "Topping and Spindler, Flushing, Holland."

Chairman—continued.

51. That is the address of a betting house, I understand. It has nothing to do with the coupon system?—No, that is a betting house.

52. What is the advertisement in the "Financial News"? Are they the same people?—"Topping and Spindler, Flushing, Holland"; "James Webster, Middelburg, Holland"; "J. W. Santen, Flushing, Holland"; "Robert Masters, Guernsey." And as one of the noble lords mentioned the matter of lottery, I may say there is in the "Financial News" actually this morning an advertisement of a foreign lottery, which, as your lordships know, is absolutely illegal. Our association got the attention of the Attorney-General and the Home Secretary called to the matter of the advertisement of foreign lotteries, and orders were given to prosecute Stoddart, which has been done. He is going to be prosecuted at the Central Criminal Court next week on that matter by the City authorities. But although when the question was raised the "Financial News" was especially named, the Government seemed to have given orders to prosecute Stoddart, but not to prosecute the "Financial News," and the consequence is that the "Financial News" seems to continue to advertise foreign lotteries.

53. I think you have not much more to say upon the particular subject of coupon betting?—I only wish to say this: The attention of the Home Secretary has been called in the House of Commons to this coupon affair during this month—I think quite a short time ago—and he said he considered the law was not in a satisfactory condition, but that he did not think he could promise legislation on the subject this session, showing that the attention of the Ministers had been called to it, and that they seem to think that legislation is necessary.

Viscount Peel.

54. In the case of coupon betting, suppose I send in a penny on twenty cases and I win, how do I know how many men have equally made a good guess with myself?—Because Stoddart, to prove his *bonâ fides* in the matter will publish your lordship's name and the names of all others who have won. He gives the full addresses so that you could write to any of them to ascertain that it was genuine.

55. But it is entirely optional to him to state the full number or to conceal the full number?—Supposing the prize is 1,000*l.* and you get 5*l.* each, he advertises 200 names and addresses, coming to that amount.

56. Yes, but he does not do that before the result?—No, when the result is known.

57. Therefore it is perfectly optional for him to state how many have named the winning horse?—It is. I do not know how you could get behind that. But from general inquiries we are disposed to think that he is generally found to pay the money to those who win prizes.

58. You think he carries on his business honestly?—Well, I think it a very dishonest business, but I think he carries it on honestly in that detail; but there are others, imitators of him, some people of smaller means, who do not. He has made a great deal of money by it.

Chairman.

59. It does not affect him whether one man or twenty

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twenty men win; all he does is to divide the 1,000*l.* or whatever the sum is amongst them all?—Quite so; if a thousand win it does not matter to him. We think he gets about one-third of the whole amount sent in as profit—that is to say, if he gets 100,000*l.* a year, we should say he gets over 30,000*l.* a year as profit. That was so far as we could make out. There was a dispute between counsel in the case, and we could not exactly arrive at what he did get.

Viscount Peel.

60. I understood you to say that coupon betting on football had been stopped—I think you used the word “stopped”?—A Scotch case came on, and it was held to be illegal. Of course, now there is no football going on; but a notice in Stoddart’s paper indicates that when the football season comes on this sort of thing will be carried on from Middelburg, in Holland, as before.

61. Although it has been publicly declared in a court of law to be illegal in the case of football?—Yes, if it should be carried on within the jurisdiction.

62. Just the same as in horseracing?—Yes.

Lord Davey.

63. There is no difference as to what the betting is on—the illegality is in paying money on a contingency?—Yes.

64. It may be on football or it may be on cricket or any conceivable game?—Yes.

Viscount Peel.

65. These advertisements are not merely confined, do I understand you to say, to purely betting papers; what are they as distinguished from the “Sportsman” and “Financial News”?—Well, there are other papers I am given to understand, that in Manchester, for instance, there is even a larger instance of it than “Sporting Luck.”

66. Solely devoted to these advertisements?—Not solely devoted to, but very largely profiting by them. Of course if it is not illegal to carry on this advertising from abroad, and the 7th section of the Act of 1853 does not apply to advertising, there is no reason, excepting their own consciences, why the “Times” or the “Saturday Review,” or the “Record” should not publish these advertisements.

67. Have you ever noticed anything of that kind in the “Times”?—Oh, no. I do not think the “Times” would have anything to do with them.

Earl of Aberdeen.

68. You mentioned a collusive case in regard to Stoddart—what was that case?—That was the case of Stoddart v. the Argus Printing Company. Stoddart, we believe, wished to bring a case against his printers, and then to carry it up to the Court of Appeal, and finally to the House of Lords on the model of Powell v. Kempton Park; but the decision of the Queen’s Bench Division prevented that being done. But in the course of that decision unfortunately, this construction was put on Section 7 of the 1853 Act, the advertising section, which promises to do almost as much harm as if the original idea of the plaintiff in Stoddart v. the Argus Printing Company had been carried out.

Earl of Aberdeen—continued.

69. With regard to the advertisements in the “Financial News” you mentioned one as the Lotteries. Can you tell us shortly what the other advertisements are?—The first is “Topping and Spindler, Flushing, Holland. Great Ebor Handicap, Liverpool Cup, Goodwood Stewards Cup, St. Leger Stakes, Cesarewitch, Cambridgeshire. Double and treble events—S.P. accumulators, etc. The ‘Continental Sportsman’ free on receipt of address. Telegraphic instructions can be sent to London for S.P.” That line seems rather to be coming near the jurisdiction in referring to instructions that can be sent to London. They do not give their London address in the advertisement, as it might cause trouble, but you could no doubt get it by writing.

70. That is Topping and Spindler, of Flushing, Holland?—Yes.

71. Then is there one from Middelburg?—There is one from “James Webster, Middelburg, Holland. Established 40 years. Telegraph instructions received in London.” There again that is coming rather near the jurisdiction. Then it gives the names of the different races, and then it goes on, “Bankers, London and Westminster Bank, London; Bank of Scotland, Glasgow; Bank of Ireland, Dublin.”

72. What do you infer is meant by quoting those banks—they are not responsible in any way, I suppose, for what goes on?—I suppose the banks would say, as they have said in cases which we have had, “We take the man’s money, and we keep his financial accounts; we have nothing more to do with it.”

73. It gives an element of respectability to the advertisement?—Quite so—I imagine that is the reason for which it is inserted.

74. Apart from the question of the illegality of announcing foreign lotteries, has it come within your personal knowledge in your researches that many newspapers decline to insert advertisements such as those you have just been reading?—I have reason to think that a very large proportion of the respectable Press would not put them in. We would never find such advertisements in the “Times” or the leading daily journals. I think they are in some perhaps, but I have not followed it out very closely, because there is at the present time no way of stopping them.

Lord Davey.

75. Have you been engaged in the investigation of this subject for some years?—For eight years.

76. Is it within your experience that what you have described as street betting and as coupon betting has increased during those eight years, or should you say that the enforcement of the law has diminished the extent of it?—I think street betting has enormously increased, and that coupon betting has also greatly increased.

77. Notwithstanding the more active enforcement of the law?—Notwithstanding the more active enforcement of the law; I am confident in saying that the increase is very much greater than any obstructions placed by the enforcement of the law—it is increasing yearly.

78. I understood you to say with regard to coupon betting that the only strengthening of the

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the law you can suggest is that advertisements should be made illegal, although the business which is advertised is carried on abroad—is that so?—I do not quite see how if the houses are out of the jurisdiction the Betting Act can be made to apply; it would appear that if newspapers cannot advertise these things it would enormously reduce the system. There may be other measures which it would be desirable to take, and in that connection I may mention Mr. Justice Philimore expressed considerable doubt whether, although the houses are out of the jurisdiction, if persons do any acts within the jurisdiction in connection with what would be here an illegal business, those persons might not be proceeded against. Of course it might rather complicate matters.

79. Have you, from your own experience in this subject, any suggestion to offer as to the direction in which the law could advantageously be strengthened?—I should suggest that all advertisements of foreign betting houses should be illegal, and of all English betting houses, as they are of foreign lotteries. The other branch of the subject is a delicate and difficult one, and that is the use made of the Post Office by these coupon people. I have interviewed the officials in the Law Department of the Post Office, and I am told that Stoddart used to send his coupons by the open post. He went round there himself with the view of making sure after our first action, that that would be continued; but the Postal Authorities refused to allow that, and the coupons now go under the penny post, and the difficulty is the sanctity of private letters. It was suggested that the Postmaster-General in England and his principal assistants in Scotland and Ireland should have the power, on finding great batches of letters being sent to firms who they knew were betting agents, to detain those letters, and call upon the senders for an explanation; and if the explanation showed that they were sending money for any legitimate purpose the letters should be sent on as usual, but otherwise the letters and deposits should be confiscated. It was thought by one of the gentlemen to whom it was referred that that would be open to considerable difficulty, viz., that of the sanctity of private letters. But your Lordships may have happened to notice in the "Times" only a few days ago (evidently without communication from England, for there was no time) the Prime Minister of the new Federation of Australia has introduced into a bill a very similar suggestion, showing that they have found in Australia the same want of some method of dealing with the Post Office. The Post Office really has become the great receptacle of betting deposits, and it would seem that some method of meeting the difficulty is very necessary. We have not been able to think of any method better than the one I have named. It seems hardly to touch the sanctity of private letters where you have batches of 2,000 or 5,000 or 10,000 all coming addressed to a foreign betting house, to which you must forward them.

80. Do I understand that you are in favour of some such legislation with regard to the Post Office detaining letters as you have described in outline?—I have in print a suggestion—

(0.26.)

Lord Davey—continued.

81. Would you kindly answer my question? I want to get your individual opinion, having regard to your experience in the matter. Are you in favour of some such legislation as you have described regarding the Post Office?—Yes, I am. I was going to add that we have in print a suggested section of an Act which is very much like the Australian proposition, but unless I am mistaken, their ideas are rather more drastic. Our ideas were to apply to the people themselves before destroying the letters or confiscating the money sent.

Earl of Harewood.

82. If an Act of Parliament could be passed prohibiting all betting advertisements and advertisements relating to coupon competition in the public newspapers, and also the publication of "odds" relating to future races, which I think I do observe in all the newspapers, including the "Times," do you think such an Act would be a powerful agent in destroying the prevalence of public betting?—A very powerful agent, especially among the wage-earning classes. They depend upon the published "odds" for their arrangements with the bookmakers.

83. Have the efforts of the Anti-Gambling League ever been directed towards obtaining the passing of such an Act?—We have had an Act for a very long time in preparation, but it is only during the last year or two that public opinion has seemed to veer round to our view of the question.

84. But you have never agitated with a view to obtaining such an Act of Parliament as you have described prohibiting the publication of "odds" and so on?—We have had a bill drafted which was to be brought forward in your Lordships' House, but on conference with many of the members it was agreed that the better plan would be to ask in the first instance for a Select Committee to inquire into the whole subject.

Chairman.

85. Would you now like to go on to the question of advertising tipsters and betting agents?—Yes, I should like to produce one or two circulars that these men send out. Their name is legion. The Post Office does a very large business in sending them—of course under the penny post. I have three here which I should like to put in. I do not know that they are particularly good specimens, but they are all much the same.

86. Will you read the most relevant one, so that we may have it before us?—Here is one addressed from "The South African United Service Club, 4, Duke Street, St. James's, S.W." "Dear Sir,—I beg most respectfully to call your attention to the enclosed card of my rules, from which you will see that I continue business all the year round at all meetings under Jockey Club and Grand National Hunt Rules. Upon hearing from you I shall be most happy to place you on my register of clients, and any business you may send me will be booked, subject to my usual custom, 'pay or receive the Monday following the race.' Awaiting your favours," and so on. Then there is this card enclosed:—"Tattersall's rules govern all transactions. (1) The starting price limit

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Chairman—continued.

limit on ordinary races is 16 to 1. (2) On ante-post betting races there is no limit. (3) One-fourth the odds 1, 2, 3 when eight or more runners. One-third the odds 1, 2 when six or more runners. If less than eight runners the 1, 2, 3 or place money goes on 1, 2, unless otherwise arranged. (4) No place betting when odds are laid 'on' the favourite. (5) Favourites, jockeys' mounts, and all systems taken at 5 per cent. commission. (6) If a horse is in more than one race and no time is mentioned the money will be 'on' the first time it runs only. (7) Instructions up to £10 per horse must be telegraphed before the set time of race, up to £50 half an hour before the set time of race. Special terms for larger amounts." I do not know whether you would like me to read the whole card. It is rather long, and I do not know that it is very important—it is all much the same. The point is, these people will not receive money at their houses—that would bring them within the Betting Act of 1853. But if you can satisfy them of your stability, or possibly if you make a deposit at their bank—I have had no experience of that, and I cannot say as to whether it is done, but I have my suspicions that it is sometimes arranged in that way—then you can deal with them. I have here a letter from Scotland Yard, signed by Mr. Robert Anderson, in reply to our complaints years ago, and it merely says: "I have to acknowledge the receipt of your letter, and to inform you in reply that as these men at present refuse ready money, the police are powerless to deal with them." They refuse ready money, and they get out of the Betting Act in that way.

87. Those are betting agents you have just mentioned. Have you any specimen of betting tipsters who say for a certain consideration they will send the names of the winners?—I have not got any of those. I have looked on those as less important people on the whole than these. Of course, there are such people, I know, but I do not think I have any such circulars. The Committee perhaps may be interested to know that if they care to look at the "Times" of the 11th August, 1853, page 5, they will see that Lord Palmerston spoke of suppressing tipsters, but he deferred the matter until the next session. The next session I think the House was much taken up by the Crimean War, and that perhaps put it out of his mind. But that shows how long the intention to suppress tipsters has been in the minds of legislators.

88. Could you tell us anything about selling tips in the street?—I have noted that that has got to be such a nuisance in some neighbourhoods that endeavours are being made to get a special bye-law or regulation passed to meet it. I have a statement here that a petition is being got up to the Council of the Borough of Deptford asking that they shall take action in the matter of the nuisance of selling tips in the streets, and I have reason to think the thing is done in many other neighbourhoods. It would also appear not to be confined to populous neighbourhoods near to towns, for I find that the "Essex County Chronicle" records that many country people about there are being plied with tipsters' lists by post. Ah! I see I am mistaken in thinking that this referred to selling tips; but I may say that the spread of the betting system to rural

Chairman—continued.

districts is very important. When Mr. John Mellor, who was, I think, Chairman of Committees in the House of Commons, joined our association he said he did so when he found that the professional betting system was spreading to the rural districts, and that it was not confined to towns and very populous places.

89. I suppose you would not consider that a newspaper like the "Daily Telegraph" or the "Standard," because it gives predictions for races, is selling tips for 1d? It has got other matters in it, of course?—Yes.

90. Do you make any distinction between that and a paper that has got nothing but tips in it?—The professional tipster lives on his predictions. The suggestion that a horse is likely to win a race which you may find in what you might call a good newspaper seems to be rather a mild edition of any such offence, and any part of its profits due to that one would think would be infinitesimal. It could hardly be said to do that for profit. I think that is the distinction.

91. Would you propose that all these tipsters advertisements should also be excluded from newspapers?—Yes, that would only be following 48 years afterwards what Lord Palmerston would seem to have been willing to do in 1853.

92. Would that mean that no opinion on horse-racing, for instance, was to be given in any newspaper?—No opinion for profit.

Lord Davey.

93. But there is no profit beyond the sale of the copy of the newspaper, is there?—It might be an infinitesimal profit, of course, if the "Daily Telegraph" said that they expected that such and such a horse would win the Derby, but it seems rather remote. It would seem rather arbitrary to say you shall not express any opinion upon a horserace. That is rather different from touting for business and pretending you are very knowing, and your knowledge is worth something, and selling it.

Chairman.

94. How would you discriminate between a sporting writer in, say, the "Daily Telegraph" and a tipster?—I suppose it is difficult to say exactly where the line is.

Lord Bishop of Hereford.

95. If you are to deal with tipsters it would be necessary to have some definition which would distinguish what a tipster was. I gather you would not propose to interfere with the sporting article in an ordinary newspaper giving opinions as to the prospects of a race, for instance?—No, I think not. You do not pay especially for those opinions. There might be an opinion expressed in the paper on the prospects of the Eton and Harrow match, for instance. I do not quite see how you could make that penal, but a man who sends out circulars and offers facilities for betting is doing something very different.

Lord Davey.

96. That, of course, is a different thing; that is an offer by him to bet; but a man who gives a tip in the newspaper does not offer to make a bet with you?—No, I think that is the distinction.

97. You

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Lord Bishop of Hereford.

97. You would draw the line at a direct or indirect invitation to bet with you?—Or to buy a tip.

98. But if the reference to the race involves no offer to bet you would not include that?—No, the most that could be said then would be that in buying the newspaper at a penny you also buy the tip, but what proportion of the profit it would bear it is rather difficult to say.

Chairman.

99. When I go to a railway station for a race meeting I am very often offered a sort of pink sheet (I never buy one). Would you call that a tipster's advertisement?—I have seen them being sold, but I have never bought them—I do not know quite what they are. Perhaps they are predictions.

100. Would you like to suppress that?—Without seeing one I could hardly say. I have seen them in a man's hands, but I have never read them. I should think no great harm to the public would arise from their being suppressed.

Viscount Peel.

101. You say in this instance of advertising tips the Post Office, to use your own words, do a very large business?—Yes.

102. Do I understand you to seriously suggest as a remedy that the Government of the day should authorise the Postmaster-General to open letters which are sealed or fastened because you have reason to suspect that those letters contain advertising tips? Do you think that is a practicable remedy?—I did not mention that proposal in connection with tipsters. Our suggestion has only gone so far as where, as in the case of, say, Stoddart and one or two others, the Post Office receives tens of thousands of registered letters—they are not always registered, but a great number of them are registered—addressed to persons whom they know, or could have no difficulty in finding out, are betting agents. In that case our suggestion was that they should have the right, which should be confined to the Postmaster-General and his chief assistants in Scotland and Ireland, to detain the letters, and ask one or two of the parties for an explanation of the remittances if they were addressed to a betting house.

103. But they would have to open them first, would they not?—They would have to open one or two of them.

104. Do you not think that would create a pretty good stir in the country?—That was the opinion of the legislator under whose notice it came. But I have quoted what they are doing in Australia without communication with this country as showing that they have found the same need for doing something there. Of course a better method may be found out. That is the only one that has occurred to us at present. I am not putting it forward as a model of what it is desirable to do, but as the best way to remedy it that has occurred to us.

105. Have you any reason to know what was in Lord Palmerston's mind when he suggested proceeding against tipsters?—I have no reason to know by what method he proposed to come down on tipsters, but he evidently recognised they were getting to be a nuisance and ought to be dealt with.

(0.26.)

Viscount Peel—continued.

106. He did not specify the method?—I am afraid what is to be found in the "Times" does not indicate that. I have not the extract by me.

Earl of Aberdeen.

107. With regard to the question of your scheme, which I understand is only a suggestion as yet, would it not be possible to communicate to the persons to whom such circulars are directed without opening them when you get a vast mass of circulars all from the same source? Would it not be possible to proceed on the lines you have indicated without actually opening any letter, and so avoid the appearance of breach of confidence to which Lord Peel referred?—That may be a better suggestion. Your Lordship means, to communicate with the betting agent, saying there is an enormous number of letters from him, and asking for an explanation. That is going to the other end. That might avoid what Lord Peel suggests would be objectionable—the opening of even one in thousands of letters addressed to a single firm.

Chairman.

108. That would entail delay in the post, would it not?—Yes, it would entail delay, but these letters are not posted in the ordinary way. To save trouble they are sent in in batches. They have not a 1d. stamp or a 2½d. stamp on them, but they are stamped by the Post Office, and it is pretty well known in the Post Office what they are, but they cannot at present do anything to stop it.

Lord Bishop of Hereford.

109. Do you suggest that the sending of the circulars of these betting agents, or any tips from tipsters which can be so defined, should be made illegal?—Yes, I think that would be a very good thing to do, and I think sooner or later it will become necessary.

110. That would obviate the difficulty with regard to the Post Office which has been suggested, would it not?—It probably would. They are in the habit of sending those things in very nice envelopes with a crest or something of that sort outside. I do not know whether they pay the duty, but they are very well got up.

Earl of Aberdeen.

111. In reply to a question from the Chairman you said you thought the communications of tipsters to which his Lordship was referring were less important than the circulars which have just been referred to; would you explain why you thought them of less importance?—That is to say betting agents' circulars offering to give predictions for money?

112. Yes?—I should not have thought that was so large a trade. It may be developing, and I have not followed it quite so much as these other cases in which we have constantly applied to Scotland Yard.

113. It would appeal to certain classes of persons more than the other perhaps?—It would appeal perhaps more to the working classes.

Chairman.

114. But I should have thought you must have seen constant advertisements of persons offering, upon receipt of 2s. or 2s. 6d. to send what they call "Our Special Wire," giving two winners or

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three winners, or whatever it may be, for the week—have you not seen such advertisements in the newspapers?—Yes, I have seen the advertisements, and I have noticed in the evidence given in the Stoddart's cases that a man who had been in his employ, a man of the name of Cleary, said that Stoddart also carried on what he called a special wire business or something of that sort, and did send out—"information" he called it; but whether it went so far as charging extra for indicating the likely winners I am not sure. I have seen such advertisements as your Lordship names, but I did not know that they had got to be such a considerable thing as the issue of these circulars offering to carry on a regular business.

115. But you do not think that a man, if he asks for 2s. sends back 2s. worth of telegrams to you. He says he gives certain tips for 2s. or 2s. 6d., he does not expend the 2s. or 2s. 6d. upon the return telegram?—You mean he gets a profit out of it.

116. I ask you whether you think he gets a profit out of it?—Yes, I do.

117. A good profit?—Yes, I should say a good profit.

Earl of Aberdeen.

118. The telegram would not cost more than 6d. if he sends the names of three horses; he would get the 1s. 6d. I suppose?—Yes.

Chairman.

119. Now can you tell us something about how the payments are made in these betting transactions between the bookmaker and the backer on the Monday, or whatever day they agree to settle their accounts—are they ever made in public houses?—I do not think the circulars which I have read about payments on the following Monday at all apply to the class of bets which are paid in public houses. The bets paid in public houses are chiefly paid by the bookmakers to the wage-earning classes. "S.P." betting—starting-price betting—is done a great deal in the streets, and also, of course, sometimes in the public houses. These men who do that pay according to the starting prices given in the "Sportsman" or "Sporting Life" and other newspapers—some of them say they will pay the next day, and do pay the next day according to the price in the "Sporting Life." Some of them, in order to gain extra popularity and credit, will pay by the prices given in the "Evening Standard" of the same day, showing the great use made of the publication of the "odds." Of course, the working man, or the wage-earner, probably would not trust the bookmaker, but he puts his money down, and he knows that he will be paid according to the starting price published in the newspaper.

Lord Davey.

120. That is the making of bets that you are referring to now—not the settling of them?—The settlement will be, generally speaking, the next day according to the starting prices, but sometimes it is according to the starting prices published in the evening newspaper.

121. But do you mean it is made without naming the "odds"?—Yes, that is so now. That is why street betting has increased so enormously.

122. Supposing I am a small better, and I put

Lord Davey—continued.

down my half-crown to back a horse, do not I put the half-crown down at certain "odds"—5 to 1 or 6 to 1, or whatever it may be?—No, you say at "starting price." That is how street betting has increased so enormously, because there is no trouble about bargaining. You may perhaps chance to ask the bookmaker what the odds are as a matter of curiosity or information, but it is done at starting prices; so that the police have this difficulty—they do not see the men bargaining about the "odds," but they walk up one after another, sometimes a hundred in an hour, and hand in their deposits at starting prices. As to the payment in public-houses, I do not know whether the Chairman was referring to that, I have this note on the payments in public-houses: that it was held (the case was heard before five judges in March, 1897, in the Queen's Bench Division), that the payment of bets in public-houses is not illegal.

123. In what case was that?—It was heard on the 13th March, 1897.

124. Is it a reported case?—It is, my Lord—Bradford v. Dawson. Bradford is the Chief Commissioner of Police.

125. It is not reported in the law reports?—I think so, but I do not happen to have the volume here.

126. What is the name of the case?—Bradford v. Dawson—Bradford, the Commissioner of Police.

Viscount Peel.

127. Did you say, "Is not illegal"?—Not illegal.

128. Is it legal to make a bet?—No; to make a bet would come under the 1853 Act, but it was held that the payment of the bet was not illegal.

129. To make a bet is illegal, but to pay it in a public house is not illegal?—That is so, and it seems to me to need amendment. Some public-houses are like great betting exchanges after a large race.

Lord Davey.

130. I suppose what would apply to a public-house would apply to any other public place?—I think so. I think it would apply to any house—that the payment of a bet is not illegal if the bet were not made in it.

Lord Bishop of Hereford.

131. Would you advocate making the publication of starting prices illegal?—That is part of the question I have previously answered—that it is part of the odds—the starting price being the odds, I would.

132. The system of starting-price betting seems to hinge very much on the certainty of seeing the starting price in some respectable newspaper?—Yes.

133. So that the bettor cannot be cheated?—It is the guarantee of good faith between the working man and the street bookmaker.

134. Supposing it were made illegal to publish the starting price, what would be the effect on the starting-price betting?—It would be a very heavy blow against starting-price betting.

135. Would it be a difficult thing to carry out?—Is your Lordship referring to the congestion of business in the House of Commons or to the disposition of legislators?

136. No,

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Lord Bishop of Hereford—continued.

136. No, to enforce the law?—To enforce? I have made some inquiries amongst the Press, and the impression made on my mind is that the great majority of the best newspapers will welcome such legislation. They do not gain by it; they lose by it. A great deal of the money spent on newspapers is spent on those papers that largely live by the betting odds. It is not as if it were confined to the odds on any of the principal races, but races at little places that one has hardly heard of, and very unimportant stakes. Editions come out, and one looks for perhaps political news, and you see an enormous poster, "One o'clock result." A collection might be made of these posters.

137. The most respectable part of the Press, you think, might welcome the suppression of the starting price?—I think would welcome, and I have been surprised during the inquiries I have made to find one or two of those newspapers—even halfpenny newspapers—reply in this way. I am thinking of one especially. "If it is made absolutely prohibitory so that no loose sheets with the odds can be sold or can be in any way published we will not oppose it." That was said to me by the proprietor of one of the largest of the evening papers, and in the case of the better class papers the impression on my mind is certainly that they will rather welcome than oppose it.

Lord Davey.

138. But you do not confine that to starting prices?—I am speaking of the odds generally.

139. To prohibiting any publication of any odds on any event?—Yes, any odds.

140. Are there not some newspapers at present which do not publish the odds?—I think there are two or three. Some years ago a large provincial newspaper started it, and is said to have built up to a certain extent a rival which went in very extensively for betting news, and so on, and it is very hard to ask one or two newspapers to do this. It is like early closing—if you ask a draper to close, and let all his rivals remain open; but if a Bill made it absolutely prohibitive to publish odds—I can only speak of the impression made on my mind from speaking with editors and others—the greater portion of the Press would welcome it, and that by far the most important and influential portion.

Earl of Harwood.

141. I understand you would like to prohibit the publication of betting odds both in the account of a race that has taken place as well as the odds before the race takes place?—Yes, without that I am afraid the starting price trouble would hardly be met.

Chairman.

142. I think this practically ends your evidence on matters connected with horse racing, does it not; you wish now to refer to athletic grounds and so on in the rest of your evidence—betting in factories and workshops, and so on?—I have made a note, my Lord, with regard to clubs and other places used by bookmakers: a good deal of the betting in factories and workshops, of course, is on horseracing.

Mr. Sutters.] May I make an application, my Lord? I represent the Commission Agents'

Guarantee Association, and we wish to know if the Committee would be pleased to say when we might give evidence.

Chairman.] I think you wrote a letter to me to say that you wished to give evidence.

Mr. Sutters.] Yes, my Lord; we wish to bring evidence in favour of the licensing of bookmakers, and to point out the absurdity of Mr. Hawke's suggestions.

Earl of Aberdeen.] You need not go on about the absurdity of the other evidence; you should wait until you get your own evidence presented to the Committee.

Chairman.

143. We shall let you know when we can hear your evidence.—(To the witness.)—I do not think the Committee will take the same view that Mr. Sutters has taken of your evidence, and perhaps you will tell us now what you would like to proceed with?—I was about to add two or three words with regard to the publication of the betting odds in this way—that it used to be said that the publication of the odds was merely giving facts which the public had a right to know, but that defence has been a little weakened recently by a dispute between two newspapers which are very prominent in giving the odds, in which, I think, it has been clearly shown that the odds are very often not real—that they are what is called "faked" for the betting market. Of course, that goes to the root of the defence of the value of publishing facts. I may state that what I am speaking of can be found in an evening paper, the "Sun" of the 30th March and the 3rd April.

Lord Davey.

144. At what page of your book are you looking?—Page 216, the second volume, at the bottom of the first column. It has, however, gone a little further than anything in a newspaper, because a question was asked of the Attorney-General in the House of Commons on the 2nd of May, so that it has become almost a Parliamentary matter—the unreality of the odds published by the papers. The other small item was that one of the judges—I think more than one, but at least one—has said from the Bench that if Parliament is in earnest in dealing with the professional betting system, it should begin with forbidding the publication of the odds. I mention that—it is to be found in the second volume of the book, page 126—because judges, as a rule, I think, do not go out of their way to suggest drastic legislation. I may also say that the President of the Oxford University Boat Club, Mr. Le Blanc Smith, and other well-known athletes have spoken at diocesan conferences and other meetings recently about the necessity of attending to this question from the point of view of the purity of sport.

145. Can you give us any evidence about betting in athletic grounds and closed sporting grounds?—Yes, my Lord; I think that is the next item on the memorandum, that is to say, areas under the control of private proprietors, or enclosures therein bringing in profit by entrance fees.

146. Gate money meetings I suppose they are really?—Yes. Of course, there are a great many instances, but I have brought for the information of the Committee letters from Mr. Hills, the Managing Director of the Thames Iron Works and Shipbuilding Company, and the replies I received

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received from Scotland Yard on communicating to them his complaints. Mr. Hills wrote that he could not get rid of the bookmakers on the Canning Town Cycling Track, which he had established, or he and others had established, for the benefit of the very large number of working people who have their dwellings in that neighbourhood, and whom they wished to benefit in the matter of health and recreation. This was as far back as 1897, but since that time the evil has increased. I forwarded the complaint to Scotland Yard, and Scotland Yard replied to the effect that they were not able to do anything in consequence of the decision of the Appeal Court or the House of Lords—I am not quite sure which—as to persons not being responsible who carried on the business of betting unless they had control over the place where it was carried on. “The Commissioner regrets he is not able to advise on the question you ask him regarding the cycle track at Canning Town; he can only suggest that the Managing Director of the Thames Iron Works and Shipbuilding Company should consult his own solicitor as to the proper steps to be taken”; but no steps really can be taken. The same thing occurred at the Grasmere sports.

147. What do you mean, the owner of the grounds not having control or what?—No, my Lord, the owner of the ground, I suppose, may be said to be Mr. Hills, or the person having control, but you cannot now coerce the betting men; they say they have no control.

148. The police have no control?—No, the betting men have no control over the ground, and therefore there is no betting place or house within the Act.

149. That is under the Kempton Park decision, I suppose?—I believe that was after the Kempton Park decision, but I will just make quite sure; I think it must have been.

150. Not being occupants?—Not being occupants or having control over the place.

151. That is what the noble Lords said?—Yes, and the same thing occurred on page 72 of the second volume of this publication, as will be seen by a letter concerning the Grasmere Sports. There is there a letter from Canon Rawnsley, who takes great interest in the Grasmere Sports, being one of the committee; he says, writing on the 4th September, his letter being published in the “Times” of the 7th September: “The open gambling at the Grasmere Sports this year has been a matter of comment in many of our Northern papers, and the committee of management are spoken of as having ‘sanctioned this scandalous proceeding.’ Will you allow me, as one of the Vice-Presidents whose name has been mentioned in connection with the sports, to say that all the members of the committee I spoke with on the day, and the day following, were unanimous in their disapproval, and indignant at the new departure. It has been their one idea throughout to keep these games free from anything of the kind. The distance of Grasmere from any railway station, and the common-sense of Cumberland and Westmoreland men have hitherto helped them in their endeavours. This year a certain number of the bookmaking gentry paid their money at the turnstile, and were not discovered as having entered the field until just

Lord Davey—continued.

before the starting of the hound-trail, when they took up their position behind the grand stand, and for the most part were unseen by the course round the ring. My personal protest was met with the assertion that they had paid their money, and had as much right to be where they were as I had. But my reason for writing this letter to you is not only to assure you that the Grasmere Sports Committee are determined to do their best to prevent a recurrence of this innovation, but to say that the late decision of Lord Esher” (that was in the Court of Appeal) “and the majority of his colleagues that ‘bookmakers are not illegally using, unless some portion of the premises is exclusively used by one or more of them,’ was flung in my teeth by one of these knowing gentry, and it seems that if the House of Lords does not, on appeal, restore the authority of the Act of 1853, some new legislation will be urgently needed if the Grasmere Sports Field, or any other athletic ground in the kingdom, is to be protected from certain corruption.—Yours truly, H. D. Rawnsley.”

152. That must have been between the Court of Appeal and the House of Lords?—Yes. That, my Lord Chairman, opens up a very serious question, of course. As a matter of fact it is difficult to see how professional betting can be stopped on the Athletic Sports Grounds if the case of *Powell v. Kempton Park* is to be held as conclusive ‘We hope that as it was a case between parties who were acting together, and it was found quite impossible for our Association, or for anyone else, to get a standing in the matter, that will be a sufficient reason for the judges of the Chief Criminal Court, if I may so call the King’s Bench Division, hearing another case and giving their own decision, because it really destroys the Act of 1853. The Act of 1853 in a few months shut up all the betting houses, but if the construction put upon it by your Lordship’s House is correct there does not seem any reason why those betting houses should not be going on now, or why they should not be open to-morrow. All that the proprietors have to do is to say “We do not bet, we invite you here to see our picture gallery, or for any other purpose, we charge you half a crown, or 5s., or 7s. 6d., or 10s., for an entrance fee, and we have nothing to do with the betting; we get our profits from the entrance.” Then the bookmakers say: “Yes, it is true we carry on a betting business, but we have no proprietary here, we have no exclusive right, there are a dozen or twenty, or thirty of us.” So the 1853 Act, according to *Powell v. Kempton Park*, is almost done away with, or very largely done away with, and its application in the matter of athletic sports grounds is almost perhaps more serious than with regard to racecourses, because one does not expect to see everyone who goes to an athletic sports ground to see football, or any other game solicited by professional bookmakers. There is plenty of evidence concerning the matter besides that. I notice that Lord Dartmouth spoke on this matter, Volume 2, page 10, at the top of the second column; and then there was a case at Blandford before Lord Portman, page 86, in which they felt compelled to dismiss the charge because clearly these men had no right of occupation, and no exclusive user, so that

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that in one way the occupiers get off, and in the other way the people who carry on the business get off. It does not matter to the real owners or occupiers whether they get their profits by an entrance fee, or whether they get it by betting, they get just as large profits by the entrance fees. Of course, there are much more recent cases, and a great number of them.

Chairman.

153. Private proprietors can issue their own regulations as to the control of their ground, and they could stipulate that no betting should take place within the area, could they not, at these sports or athletic meetings?—I remember that many years ago in the case of *Wood v. Lead-bitter*, it was decided that the stewards had the right to turn out anyone they liked who did not behave as they liked, and that was a matter connected with betting. I do not know that it is quite clear that private proprietors, if it is held to be legal to do what these betting men are doing, can say they will turn them out if they do an act which is legal. Mr. Hills was quite unable evidently to help himself, and therefore the complaint was sent to the police, and the police under the *Kempton Park* decision considered they could not do anything. The effect of *Powell v. Kempton Park* has been very serious indeed, and it is not confined either to race-courses, about which it was first brought, or to athletic grounds, but it applies also to public-houses, because some magistrates will not convict bookmakers for taking bets in public-houses.

Lord Davey.

154. Is that so?—Yes.

155. I thought it had been held in the King's Bench subsequently to the decision in this House that a public-house was an unlawful place?—It was so held, my Lord, but it is very difficult to see the grounds.

156. Never mind the reasoning, the reasons of the judges may have been all wrong, but it was so held, as a matter of fact, in the King's Bench that a public-house was an unlawful place?—It was upon special grounds, but some magistrates refused to follow that.

157. There was a decision of Lord Russell himself, was there not?—I think you are thinking of *Regina v. Humphrey*.

158. I forget the names always?—That was the case of an archway. I think the only decision I know of is one of Mr. Justice Grantham as to a beer-house and a man of the name of Busby, but some of the magistrates will not follow that; they say if you are not guilty, unless you are the proprietor, or have exclusive control, then it is impossible for several bookmakers in a public-house to be said to be proprietors of the public-house, or to have control over the public-house.

Chairman.

159. Can you tell us from your own personal observation that there is much betting on football and cricket now?—No, I cannot from personal observation, but I get many complaints.

Lord Bishop of Hereford.

160. Your point with reference to such meetings as that of the Grasmere sports seems to be that, as the law stands, or as it is at present understood,

Lord Bishop of Hereford—continued.

there is no power to prevent betting by book-makers?—As the law is at present understood by the executive authorities; they are going by the opinion of the majority of the House of Lords in what we say was a collusive case against the opinion of the judges of the King's Bench Division in the Criminal Court, and we hope it will be possible to ask the Judges of the Criminal Court to decide upon another case, on the ground that *Powell v. Kempton Park* was a collusive case, and it was impossible for the courts which decided upon it to hear all that was to be said, and ought to have been said upon the subject. Certain particulars were handed in which were absolutely incorrect, and a petition was presented by the Home Secretary of the day to the late Queen, which was very laboriously compiled from all the records that could be found since about 1820; it has been put into print, and I think would be very useful to the Committee if I were allowed to put it in with the abridgement—a compendious statement of the growth of the professional betting system. I think the Committee would find it would go towards completing their documentary knowledge, and as it was presented by the Home Secretary, I suppose it may be said, in a way, to be a document of some official standing. I am quite sure it would be very useful, and would well repay perusal.

Chairman.

161. It was presented on whose behalf by the Home Secretary?—It was presented on my behalf to be heard in the *Powell v. Kempton Park* case, and it was considered and decided that I had not sufficient *locus standi*.

Viscount Peel.

162. Am I right in remembering your statement in answer to the Chairman that a private proprietor, if he owns the ground, cannot make conditions as to whether betting should be employed within those grounds on the occasion of an athletic meeting?—I do not think, my Lord, I gave any decided answer to that; I think it might depend upon a number of circumstances.

163. Yes, I will take this case of Mr. Hills, who, I suppose, is Chairman of the Thames Ship-building Company. What was his position at Canning Town? Did he hire the grounds for that special occasion of the cycling races?—If I recollect the circumstances correctly, Mr. Hills and others had got up this ground, and either bought it or had it on lease chiefly for their work-people.

164. And it would not have been competent for him to make a bye-law, "No betting allowed," or something which would be more effective possibly than that, and if there was any infringement of that bye-law he could not have ejected the persons on the ground who were contravening the bye-law?—I think it possible that he might have, after going to a great deal of trouble, and, possibly, a great deal of expense, but the worst of it is, of course, that many of these proprietors are not at all like Mr. Hills, they put up "No betting allowed" all over the grounds, but they know that the attendance will be considerably larger if the bookmakers are allowed to practise. It is carried to a very great length, and on one occasion the proprietors of some grounds made a determined stand, such as your Lordship has indicated, and the

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the runners (it was a series of foot races), being in collusion with the bookmakers, really would not run, they stopped on the way for refreshments and so on, in order to show that the sports could not come off unless the bookmakers benefited by having a proper betting market.

165. Therefore, I suppose at the late Henley Regatta the bookmakers might carry on their business uncontrolled on the banks of the Thames?—I should think so; they have no rights of occupation, nor exclusive user.

Lord Davey.

166. I suppose they might make a bye-law if they had private ground, that certain persons should be excluded altogether, not allowed to enter the grounds?—Yes, but it is very difficult, now that the bookmakers do not dress, as I think they used to in old times, in very distinctive fashion, to know exactly whom to stop.

167. And once they are in there, you say it is difficult to prevent their carrying on their business?—I should think it is doubtful whether anything could be done.

168. Such a bye-law as Lord Peel suggested, that any person found betting on the grounds should be at once ejected would be, you think, ineffectual?—If I remember rightly, the case of the stewards in *Wood v. Leadbitter*, the question of the ownership of the soil, and all sorts of things had to be gone into, and if a proprietor of athletic ground like Mr. Hills does not want to spend perhaps 200*l.* or 300*l.*, and possibly to have the case carried to the House of Lords, at much greater expense, he is not very likely to attempt any such ejection.

169. That is a very just observation. The expense and trouble would be considerable, or might be?—It might be very considerable.

Earl of Harewood.

170. With regard to the general question of street betting and public-house betting, and so on, if it were possible by legislative enactment to render it penal for bookmakers to carry on their calling in places other than where the actual sport on which they were betting took place, that is to say on the racecourse itself or on the athletic ground itself, should you consider that such an Act would be a benefit to the community? Would it meet your views in any way. Do you follow me?—I do, my Lord. I think that to some extent it would be a benefit to the community in meeting this what one may call low class betting that goes on amongst the wage-earning classes; but it would have a very bad effect in this way, that it would legalise professional betting wherever there was anything like English sport or English games going on. They are already very much corrupted nearly all of them by this betting, and if it were legalised I am afraid it would spoil almost all sport.

171. I did not mean to legalise it, but to render it penal for bookmakers to carry on their calling in places other than where the sport itself was carried on?—I am supposing the converse, that it would legalise it where the sports were carried on.

172. That it should not be penal there, as it is not now?—But what I mean is that it would appear to give a certain sanction wherever sports were carried on.

Earl of Harewood—continued.

173. A limited sanction?—A limited sanction, yes.

174. Then, as we are getting near to the end of your evidence, might I ask you a broad question, whether you consider it possible by any legislative enactment to stop the British public from betting?—Not to stop the British public from betting, but to stop their being tempted by professional betting.

175. Such an enactment as I have suggested to you just now to stop them betting in other places than where the sport is carried on, would go a great way towards that end, would it not?—It would go some way, certainly. I supposed that at the end of my evidence the Chairman would have asked whether I had any general suggestion to make, and I was intending to make one broadly founded on your Lordship's suggestion.

Chairman.

176. That question Lord Harewood has just asked you would apply to factories, workshops, and industrial undertakings, where the working classes gathered together?—Yes, because the sports do not go on there.

177. Have you any evidence to give us of the prevalence of betting in these factories and workshops?—I may say that I have no personal evidence to give. Of course we receive many complaints, and we have every reason to know that in many factories, workshops, and industrial undertakings there are agents of the bookmakers who bring pressure upon many of the employees to deal with them. One well-known representative of the working classes declares that something like a half of the thousands of men in his Union do this betting with the bookmakers or the agents of the bookmakers. It is, of course, a rather delicate matter getting evidence for this Committee; I think if it is wanted it can be got, but if your Lordship asked me to suggest names I should require a little time to consider, and see who was willing to give that evidence.

178. We should like some direct evidence on this point?—Then I will note that together with the other points your Lordship asked me to get before.

Earl of Aberdeen.

179. Does the information you have received include statements which we have heard of elsewhere about foremen and forewomen in workshops enticing young people to bet?—Yes, that is the important evidence; those in a superior position in the factories, and so on, being got at and made partners by the bookmakers, and so working the employees in these large and small industrial undertakings.

180. It is not likely that anyone would be willing to give evidence which would be published on such a matter, because they would get into hot water?—I do not feel quite sure of that; I think it possible that satisfactory evidence could be got from people in a sufficiently independent position; it is not all the foremen and all the forewomen who do this sort of thing, and I think that some of those who very much object to it would very likely give evidence, but a little time would be wanted, and I do not think it could be got without.

181. Your

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Chairman.

181. You have already dealt with the publication of betting odds?—Yes, that came a little out of its turn owing to remarks from the Committee. "Clubs and other places" appears to be the next item on the memorandum.

182. Have you any evidence to offer about well-known betting clubs like Tattersall's and the Victoria Club, and so on?—Well, I have only noted that anything to reduce the betting or to interfere with the betting there has been stopped by the case of *Downes v. Johnson*, 1895, 2 Q.B. I feel sure that this is in our book, but I forget at the moment how it is indexed. That was a decision in the case of the Albert Club, which is somewhere in Fleet Street, I think, but the learned judge held that the betting there being amongst members was not illegal. One of the things he mentioned was the large quantity of wine and provisions which were consumed there, and the Cardiff bookmakers on hearing of this, and complaining that their business at Cardiff had been interfered with, threatened to start, or did start, a Cocoa Club, with a very small subscription, where they hoped to be able to carry on their betting unmolested, and it was difficult to see at the time why they should not do so. What has become of the Cardiff Cocoa Club I do not know, but that legal decision stands in the way of dealing in any way with the betting at these clubs. Of course the suggestion of making bookmaking illegal except where the sports are actually going on might possibly, if that were carried out, alter the law with regard to these clubs, because there is no doubt that an enormous amount of betting goes on; not so much I am given to understand at Tattersall's now as at some of the others, which are like enormous betting Stock Exchanges on certain days of the year, with very large sums of money passing as the result of bets.

183. I do not suppose you wish to insinuate that these clubs such as Tattersall's, the Albert, the Victoria, and the Beaufort are ill-conducted clubs; they are respectable clubs?—If your Lordship said Tattersall's, the Victoria, and the Beaufort I could not say anything, nor could I say anything against the other club personally, but I know nothing about their being ill-conducted or unfairly conducted, excepting, of course, that they are really betting exchanges. They would be under the 1853 Act, but for the betting being confined to members.

Lord Davey.

184. What was decided in *Downes v. Johnson*? Was it that, not being open to non-members of the club, it was not within the Act?—Yes.

Lord Bishop of Hereford.

185. Are these clubs open to bookmakers—men in the betting trade, so to speak?—Yes, there are a good many bookmakers; in fact, in some of them they are chiefly bookmakers.

Viscount Peel.

186. But they are members?—Yes. Tattersall's originally was confined to gentlemen, and they gradually admitted the bookmakers, and these documents I have asked the leave of the Committee to put in—I do not know that the Chairman has yet decided—will give the whole history of that traced down; it is very interesting, and shows the development of the bookmaking
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Viscount Peel—continued.

system, beginning with Tattersall's with gentlemen, then admitting a few bookmakers for the convenience of the gentlemen to make a market, and ultimately extending very largely to the bookmakers; so that if the Committee is disposed to allow me to put these in, I think they will find they are really valuable and interesting documents, and will complete the knowledge of the Committee on the growth of the system.

Earl of Aberdeen.

187. Of course, when you use the term "limited to gentlemen" you do not mean anything invidious against the bookmakers; you use the term "gentlemen" as meaning amateurs?—They are amateurs.

Lord Davey.

188. *This* is your petition?—Yes.

189. Did you verify the statements in it?—Yes, each one of them, and I have a letter from the Home Secretary saying that it has been presented, which I also desire to put in.

190. This seems to be rather controversial; it was on the particulars mentioned in the Kempton Park Case?—The abridgement which your Lordship has with the black binding, is really the history, but there is information in the petition also, and it would be a pity to divide them; those are really the statements which I spent a very long time in the British Museum reading up information about, and I think that there is no other record of the growth of the professional betting.

191. You have taken pains to verify the statements of fact?—Very great pains; I think they may be quite relied on.

192. And you put them in as your own statement, of course?—Yes, as a recapitulation of the history of the case, gathered entirely by me.

193. As your authority?—Yes.

194. I do not depreciate your authority, but it is your authority and nothing more; you do not put it in as an official document?—Only so far official in that the Home Secretary thought it proper to present the petition, and there is his letter saying that he has done so.

Chairman.

195. We accept it as more or less an *ex parte* statement referring to the particular case—the Kempton Park case. You wish us to read the matter merely for our information?—In investigating the case it was necessary to find the history of the professional betting system, and that is in the separate document called the abridgment.

Lord Davey.

196. With that petition appears this letter. Do you wish to put this letter in, too?—I thought it would give some official status to the documents.

197. And I think it was held, was it not—it was considered by the noble Lords who took part in the decision of that case—that it would be contrary to all the rules and procedure of the House to allow you to appear in a case to which you were no party?—Yes, my Lord, it was, but I think, while on the subject, I had better mention that the 10th particulars which were so strongly objected to in the Court of Appeal were altered before they came before the House of Lords—not sufficiently altered—but the parties to the action were so convinced we were right in saying they
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Mr. HAWKE.

[Continued.]

Lord Derby—continued.

were wrong, that they absolutely altered the case as presented to the House of Lords from what it was when presented to the Court of Appeal.

198. There was an agreed alteration?—Yes.

Viscount Peel.

199. About the Cardiff case, there was a club there where betting went on, and they turned themselves into a cocoa club?—I mentioned that the Cardiff bookmakers, on hearing of this *Downes v. Johnson* case, the Albert Club case, either did turn themselves into a very cheap cocoa club, in order that they might say they were a club, for carrying on their professional betting, or threatened to do so. I did not think it of sufficient importance to follow it out. The value of the mention of it is that I do not see why it should not be done in every town in the kingdom.

200. That is what I was to ask you; if a number of people chose to get together and call themselves a cocoa club, and to have rules of admission, what is to prevent their betting among themselves as they do at Tattersall's?—According to *Downes v. Johnson* nothing at all.

201. How do you propose to deal with betting clubs, or to discover a betting club—a proprietary club, for instance? You know what a proprietary club is—a club owned by a man who makes a profit by the sale of intoxicating liquors. Supposing betting to go on in that establishment, would that be a contravention of the Act?—I am afraid it would not be a contravention of the Act, and it is very difficult to know how to deal with it.

202. As to a working men's club in the East End with a halfpenny entrance, what do you say to that, because that constitutes membership?—I do not see why it should not be as safe as Tattersall's or the Beaufort.

203. How would you propose to deal with the one and to leave the other undone?—I do not know, my Lord, that I should propose to deal with the one and leave the other undone.

204. How would you propose to deal with both?—I should ask the Committee to let me have time to consider that; it is perhaps the most difficult of all the problems.

Lord Davey.

205. I suppose it is entirely between members of the club that betting can take place?—Yes; an attempt was made in the Albert Club case to show that they took in any young fellow with money, and after his money had gone that they turned him out and took in others, and it was also attempted to show that some outsiders had no difficulty in betting, but the evidence was not sufficiently satisfactory.

Chairman.

206. Would you like to make your general statement now or have you any particular subject you wish to mention?—Before the general statement there is one other note—the effect of professional betting upon the postal, telegraph, police and other public services—upon the Civil Service. I should like to say to the Committee, speaking with the fullest sense of responsibility, as I have been so long studying this question, nothing has shocked me more than the corruption amongst the public services caused by the very large means at the disposal of the bookmakers through their heavy profits. Of course,

Chairman—continued.

in the police force, as amongst the general public, there are men taking all sorts of views of this betting question; there are some as earnest in a wish to deal with it as any of your Lordships or your humble servant, and there are others who not only see no harm in it, but undoubtedly take money to interfere with their duties. The complaints we receive are very numerous and very serious. Of course they are nearly always such complaints as we cannot make public, and therefore I only propose to give your Lordships one or two instances of what I myself have experienced. In one of our legal cases I went to one of the Commissioners of Police—I had better perhaps not say which or whether he was in London or the country—as I wanted some evidence, and I know that ex-inspectors of police are often willing to earn a few guineas in their retirement in addition to their pension by such work. I went to the Sub-Commissioner or Chief Superintendent, and he gave me two names of men who he said were thoroughly reliable. I called on one of them, and he said “Well, I am sorry, sir, I cannot act for you, for the fact is that I have an engagement with a firm of lawyers who are very much in with some of these racing and betting gentlemen, and I feel sure that if it came out that I was acting for you they would not at all like it—in fact I might suffer by it.” That was a case of course only of indirect influence. So I said “Very well, I will go to ex-Inspector So-and-So,” and he said “Well, I will save your time too in that way; it is no use whatever going to him; when he was in the force he used to take money from the bookmakers, and now he acts regularly with them; it is not the slightest use your going to him.” These were men who evidently had the full confidence of their superiors, and who had retired on pensions, but no one can read the complaints in the newspapers of the country—I have to go through hundreds of them—without seeing that in parts the police cannot be depended on. I personally think that the police as a rule do their duty well, and I know that great numbers of them, especially the superior officers, are very much troubled about this betting matter, and hardly know what to do, in fact one of them in a very high position said to me within a few months, “Well, the fact is it is so bad that I am almost disposed to say let the whole thing go for five years and it will bring about some frightful crash, and then perhaps it will be attended to; I despair of doing good in the matter.” But we have constant letters to the effect that policemen will not attend to complaints about betting in the streets, and so on, and very strong averments that they take money, in fact in some cases that they have been seen to take money. The effect of the professional betting system on the police is very serious, and it is not confined to the police. There is the postal service. I heard a statement. I always endeavour to verify statements—that a very large proportion of the men who go to prison from the Post Office for stealing letters with money have been indulging in betting. I called on the late secretary to the Post Office, Sir Stephenson Blackwood, and told him what had been told me, and pointed out to him what Mr. Henry Fawcett had said, and what I think Mrs. Fawcett has repeated to myself in correspondence, and

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Chairman—continued.

and I asked him whether it was possible to suppose that there was no exaggeration in the statement that at least 60 per cent. of the embezzlements in the Post Office had arisen from the betting system, and his answer was that he should think it would be a considerably larger percentage—70 to 90 per cent. of all the trouble arising in the Post Office I believe were his figures; but at all events it was much larger than the percentage which I had previously heard, and which I thought very startling. Then, of course, there is the Telegraph Service. Your Lordships will probably have seen in the newspapers quite numerous cases of the altering of times of telegrams in order that the bookmakers might be cheated. It may be said that that is not part of the professional betting system, but it arises from the existence of the professional betting system. I have read that if you go into telegraph offices at certain times of the day on race days they are very much crowded, and the chief discussions to be heard are amongst the young fellows sending the telegrams, and the girls taking the telegrams who cannot make out the names of the horses; you constantly hear strange names which turn out to be the names of the horses that are running even in very small races indeed. It is not confined to the Post Office, it goes into the other public services. I received a letter some time ago from a man telling me that a clerk in one of the Government Departments was issuing circulars, using the Government printing press or machinery, and sending out from the Government office in his own name betting circulars. I thought really that he must be mistaken, but that it was my duty to see if there was anything in it, and I therefore called on the head of the Department, and he was quite as much surprised as I had been at receiving the letter, and said he thought I must be mistaken; he knew nothing of such a thing, and he did not think anyone could have the impudence to do such a thing, but that if I called in a week's time he would let me know. I called in a week's time, and I saw by his countenance that it was only too true. He told me that it was as I said, and he said "I need not say that it has been put a stop to." Whether the clerk was dismissed or not I did not stop to enquire; my object was to put an end to it. But that gives you an idea how far this sort of thing has gone, and if it is not in some way to be checked by legislation it is impossible to say how far it will go. Then as to the criminal cases in the newspapers, I feel satisfied that the number of cases connected with betting, chiefly embezzlement, have increased threefold.

Lord Davey.

207. What you have told us about the police is not from your own knowledge, you have no knowledge of any actual corruption?—I quoted the instances of the inspectors, my Lord.

208. But you have no knowledge of the police taking money in order to shut their eyes, or anything of that kind?—I am not prepared to say anything further; they are chiefly public reports in the newspapers, and letters to us complaining. Of course it is rather difficult to get personal knowledge of such things.

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Lord Davey—continued.

209. I quite appreciate that; nor have you any personal knowledge of malpractices in the telegraph offices?—Not personal knowledge—no.

Earl of Aberdeen.

210. I suppose the only way to get personal knowledge would be to go to a policeman and pretend to be interested in betting, and offer him some money, and if he took it you would know he did take it, but you would not like to lead a man into that?—No, I should not like to do that. The records of the criminal cases show how many of these telegraphic alterations there are, and some cases deal with the police. Beyond the Civil Service in connection with that question, I may say that we have got a very careful record for 5½ years of the number of suicides, embezzlements and bankruptcies of which accounts have appeared in the criminal courts traceable to professional betting. This is a carefully kept record, and it is probably very much short of the true number, as we have excluded doubtful cases. In that 5½ years we have a record of 80 suicides, 321 embezzlements, and 191 bankruptcies.

Viscount Peel.

211. In the case of the suicides, did the coroners certify that this was the cause?—The coroners often elicit the evidence that on the body of the deceased betting papers were found, or that he had been known to be betting, or that he had been worried about money. It is a mistake to suppose that these people put everything down to betting; we have excluded some cases where the causes seemed to have been complex; and with regard to the 321 embezzlements I would ask the Committee to recollect that many employers—I know some of them—are very loth to prosecute, and it is perhaps not one case of embezzlement in three which is prosecuted; they do not like it, they send the young fellow away, they take pity on him, especially if it is a first offence, so that probably this is a very inadequate showing on the matter of embezzlements. The bankruptcies are more easily got at, and there is not the same tenderness in connection with these.

Lord Bishop of Hereford.

212. What was the number of bankruptcies?—191 from May, 1896, to May, 1901.

Chairman.

213. Is it not a very easy excuse for a bankrupt to make, that he is in his present position owing to loss of money in betting transactions, and do you not think that in many cases the bankruptcy is owing to general extravagance in living?—Yes.

214. It is so easy saying he has lost his money betting when he cannot prove how he has lost it?—I do see that, but I notice that the registrars of late years, when that excuse has been given, press it; they press to know how much they have lost, what meetings they have attended, and where the betting was done; it has been much more investigated than it used to be. I think at one time, as you suggest, it was rather a loose sort of excuse; but I think you will find, if you happen to come across any of these accounts of bankruptcies, and the statement is made by the bankrupt, it is generally now gone into. Of course, in bankruptcies it is often the case that in addition to

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Chairman—continued.

betting there are other extravagances; there is no doubt about it, but still the professional betting system does figure in all these bankruptcies as part of the cause of the bankruptcy, and often a very considerable part.

Lord Bishop of Hereford.

215. There is one question with regard to the officials; do we understand that some bookmakers tamper with the officials of the Post Office or the Telegraph Office? Is that supposed to be the case, that these people are tempted by certain bookmakers, or is it only that their circumstances tempt them?—That is not my suggestion. These cases Mr. Fawcett and Sir Stephenson Blackwood referred to are cases of postmen having the opportunity for stealing money, and being led to do so through having got into debt by betting. The statement does not, as it were involve individual bookmakers, only the system of professional betting into which these employes have fallen.

216. The point of my question was whether these officials who fall in this way are supposed to fall from the temptations which their work brings in their way when they are sending these sporting telegrams?—That may possibly be the case with regard to telegrams; they get to know about betting, and to understand betting. An ex-inspector told me his son was taken into the Post Office, and he knew nothing about betting, and he was perfectly astonished at the proportion which the betting telegrams bore to the general business of the Office, but I do not suggest—

217. It was not suggested that it was due to the temptation of bookmakers?—It is due to the temptation of the professional betting system in which they have fallen; they have betted with bookmakers and lost.

Lord Davey.

218. Let us quite understand what is the complaint you make about the Telegraph Office; is it merely that they are brought fact to face with the betting system, or that temptation arises during the performance of their duties?—The criminal cases have chiefly arisen from the temptation of employees by bookmakers and others to pre-date telegrams, so as to make them appear to have been sent off before the race was over.

219. That is a serious charge to make; have you any instances to support that?—Oh, yes; there are many public instances where men have been convicted of it, and punished; there is quite a good few of them now, as people say. They will accept bets made up to the time of the race, and there is therefore a great temptation to get the employees to alter the time date of the telegram, and it has been done in many instances. There is no difficulty in producing instances.

Earl of Aberdeen.

220. You never happened to be in the office, and to see the thing done, have you?—No.

221. You have no personal knowledge in that sense. Do you consider that if you find it recorded in the official statements of a public Government Department, that such a thing has occurred, that is equally convincing to having seen it yourself?—Yes. I have taken it so.

Lord Bishop of Hereford.

222. Cases of this kind have come out in trials of individuals?—Oh, yes, it is those instances of which I speak.

223. Their succumbing to this tremendous temptation to date back a telegram a few minutes?—Yes; there is no difficulty in referring the Committee to instances if they wish it. I could prepare a list of several of them, if it was desired, but I assumed that it was almost a matter of common knowledge, although my Lord Davey has not heard of it at present.

Chairman.

224. I suppose you will deal with the anomalies and defects in the law, and possible alterations or improvements when you address us finally, or have you anything more to say before doing so? I think you have got through your *précis* of evidence, have you not?—Yes; I was going to say that the anomalies have almost been dealt with in proceeding; but with regard to the suggestion of my Lord Harewood, as to making the carrying on of all professional betting illegal excepting where sports were actually going on—

Earl of Harewood.

225. "Penal," I said, not "illegal"?—Penal—the Association with which I am connected think that more drastic legislation will be found to be needful, and is in every way desirable, and they found their opinion upon that of, or their opinion is the same as that held by, a well-known authority on the criminal law, Sir Fitz James Stephen, who exactly ten years ago this month publicly stated that the business of a betting agent is carried on in defiance of the general body of the law. That is the position that we would wish to take up. Sir Fitz James Stephen is the author of a Digest of the criminal law.

Lord Davey.

226. Where is that opinion to be found?—Sir Fitz James Stephens published it in an article in the "Nineteenth Century Magazine," of July, 1891, where his opinions will be found at greater length, but the gist of them is that the business of a betting agent is carried on in defiance of the general body of the law, and he adds "the existence of such a person appears to me to be an insult to the law." So that the suggestion we should presume to make would be that the book-making business wherever carried on, and by whomsoever carried on, should be made penal. It has been loosely objected that this would interfere with the liberty of the subject, but we suggest that it does not in any way interfere with the liberty of the subject.

227. Every restrictive law does that, does it not?—Well, yes; but what I mean is that if the suggestion were to make betting itself penal, then it would indeed interfere with the liberty of the subject.

Chairman.

228. The Bishop of Hereford wants to know how you distinguish between a professional bookmaker and an ordinary betting man?—I do not quite understand the term "betting man," betting gentlemen do you mean.

Lord Bishop of Hereford.

229. What I meant was, how would you distinguish, for the purposes of law, between a bet made

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Lord Bishop of Hereford—continued.

made by a professional bookmaker and a bet made between any two gentlemen?—The two gentlemen who bet do not bet for their living; they do not make a trade of it, and they do not hold out to all comers the inducement to bet; the professional bookmaker will deal with anyone and everyone. A gentleman supports his opinion by a bet; I think it a great pity they should do so, and I think there is a good deal to be said against it on the side of morality, but it is not a professional trade of betting.

230. I understood your point to be that you would propose to make the business of a bookmaker illegal?—The business—yes.

231. But that you wish to do this without attempting to interfere with what we may call the private betting?—Not to put a strait waistcoat on individuals, but we should say they should not hold out temptations to others.

232. What I wish to get at is some definition of the bookmaker which would make it clear to everybody?—That it is a trade.

233. That trade you wish to stop, but you do not wish to interfere with the liberty of one man making a bet with another?—We do wish to interfere with it, but by moral suasion, and we do not think it would be right to attempt a law. May I illustrate my meaning in this way to your Lordships. I think it is the principle pervading our laws that you may do against a trade what you should not do against an individual. Now I would instance this as a parallel; the Legislature does not attempt to suppress by laws against the action of individuals what is called the social evil, but it does attempt to suppress the holding out of conveniences by houses or by individuals for drawing others into those temptations. In the same way I say that we should not allow betting houses or betting tradesmen to prey upon the weaknesses of others, to make a trade of the evil.

Viscount Peel.

234. Then A and B may bet, but the moment a man constitutes himself as an agent between A and B you would interfere?—Or keeps a house for the purpose.

235. Or keeps a house for the purpose in any way; that constitutes him liable to a penal enactment?—In the same way as the parallel matter I have referred to, the principle seems the same.

Lord Davey.

236. That is what was effected by the Betting Houses Act?—Yes; that Act is entirely in accordance with the principle that seems to pervade our laws, but the Betting Houses Act, according to your Lordships' House is a very imperfect one, unless we can get that decision—I do not know what expression to use—whether it can be said that the King's Bench Division can review and revise a decision of the House of Lords—perhaps only on the plea that it was a collusive action, and that it ought to be disregarded; I think the Lord Chancellor said something about its being a friendly action, and there was some question—

237. I do not think that influenced their Lordships very much, but still we cannot alter the law by arrangement between friends or enemies. Besides your point of view was very well argued in the case?—If your Lordship will allow me to

Lord Davey—continued.

say so, there was a great deal to be said which was not said.

238. I am not to discuss that with you?—Might I mention that amongst the bookmakers we have found signalmen, and it seems an alarming thing that the man entrusted with railway signals on a crowded Bank Holiday should have his thoughts largely taken up with bets, which will perhaps bring him in three times or ten times as much as his year's salary. That gives an idea of how far it has gone.

239. Your first suggestion would be the amendment of the Betting Houses Act, so as to make the profession or business of the bookmaker, as it is called—that is a phrase not used in the Act—illegal, not only where it is carried on in a definite place, but wherever it is carried on?—Wherever and by whomsoever. I do not know that the Chairman would like me to allude to a proposition which may possibly come before him—I think something has been said about it in correspondence with him of the idea of licensing bookmakers; but since that appeared in the newspapers I have given some thought to the matter, and there appeared two very difficult preliminary questions, who would you license? and where would you let them practise? You would not license the signalman? Would you license people who have other business, and who would, thereupon, probably neglect their business, or would you license only a certain number of professional men who could give their whole time to it? If so I am afraid you would fall out greatly with the small bookmakers. Where would you license them? Not in houses, because you would do away with the Betting Houses Act of 1853; and not in public places, because it would be a nuisance. I suggest that the difficulties of licensing bookmakers would be found to be insuperable.

Earl of Harewood.

240. What would be the licensing authority?—Perhaps your Lordship's Committee.

Lord Davey.

241. At any rate you are opposed to any system of licensing; your remedy would be more drastic; to make such amendment of the Betting Houses Act as would effectually suppress the business?—Yes, and your Lordship will not forget this question of the foreign houses, and the advertising in English papers by which they manage to carry on. The objection to licensing is double, because we think it would be the case of the State sharing with the bookmakers, and if the State thought of doing such a thing—

242. I should like to ask you I do not know whether it would be convenient for you to answer it now; have you made yourself acquainted with the laws of foreign countries upon this question?—To a certain extent. They are disposed to follow England with some exceptions.

243. I must not ask you as an expert on foreign law, but are you acquainted with the law of any European country in which professional bookmaking has been suppressed in the manner you have suggested which has been successful?—Unless I am mistaken in France they have adopted the *pari-mutuel* system; it is said not to be altogether successful, because certain bookmakers

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Lord Davey—continued.

bookmakers give out to their clients that they will deal with them on the same terms as the *pari-mutuel* privately.

Chairman.

244. I suppose you are aware that the French State benefits by the *Pari-Mutuel*?—Yes.

245. Do you propose that our Government should benefit by a similar means?—We are very much opposed to the Government benefiting in any way by the profits of the betting, because we consider it is demoralising the whole nation, and the public service, and we think it would be a most improper and most deplorable thing, and that the results would be terribly bad.

246. Have you anything else you wish to say?

Chairman—continued.

—I do not know whether the notes are being taken down, as the various items have been gone through with regard to suggestions and amendments of the law. The first was in street betting increasing the fine, and imprisonment; the second was in newspaper coupon betting, making it illegal for English papers to publish advertisements of all foreign betting houses, and of all English betting houses; the next is making the issue of tipsters' circulars illegal; also the payments of bets in public-houses; with regard to areas under private proprietors altering the meaning of the Betting Houses Act if *Powell v. Kempton Park* should continue to be the accepted construction of that Act; making illegal the publication of the betting odds, and finally making the trade of betting illegal.

The witness is directed to withdraw.

Ordered,—That this Committee be adjourned to Monday next, at Twelve o'clock.

Die Lunæ 22^o Julii 1901.

LORDS PRESENT:

Earl of HAREWOOD.

Earl of DURHAM.

Viscount GORDON (*Earl of Aberdeen*).

Viscount PEEL.

Lord Bishop of HEREFORD.

Lord DAVEY.

THE EARL OF DURHAM IN THE CHAIR.

Mr. G. H. STUTFIELD, called in; and Examined.

Chairman.

247. I BELIEVE you are counsel for the Jockey Club?—I am.

248. And have written books on betting, and are well acquainted with the law?—Yes.

249. Would you briefly tell us what the attitude of the Jockey Club is with regard to betting?—In the first place negatively they do not decide betting disputes nowadays; there was a time when they did, but they do not now. I should also say that they do so far recognise betting in this way, that if any person is reported to them as a defaulter in bets by their recognised betting tribunals, that man is warned off from Newmarket Heath. The result, the inevitable automatic result I may say, is that he cannot go into the enclosure of any racecourse in the kingdom. So far they recognise it in that way, and, of course, if any man is reported to them or convicted by them of fraud in connection with betting, he is again warned off, and I think that really summarises their attitude towards betting.

250. There are rules to that effect in the Jockey Club Rules of Racing?—Certainly; there are also express rules that neither the Stewards of the Jockey Club nor the stewards of race meetings officially as such take cognisance of betting disputes.

251. Can you give the Committee any opinion on the question of the publication of odds in the newspapers?—The publication of odds at the present day is really a matter of very little importance. Perhaps I should rather put it in this way, that there is very little publication of odds in the present day compared to what there was some time ago. In the first place, the amount of what is known as ante-post betting is comparatively small, very small, I am now talking of publishing the odds before the race. I believe a distinction has been drawn between publishing the odds before and after the race; just at present I am talking of publishing the odds before the race. The number of races in which there is ante-post betting and in which therefore alone there can be any odds to publish is very small; for example, up till this morning, when I see some quotations on the Stewards' Cup at Goodwood, for the last few days there have been quotations on

Chairman—continued.

the Liverpool Cup occupying a very few lines, and no more. Of course, that publication does not affect the starting price betting at all for this reason, that you bet in starting price on those races in which there are no published odds—chiefly on those races; starting price betting, of course, was initiated to enable people to bet on races in respect of which there were no odds published at the time. Therefore, if the bookmaker could not quote you the price, it became the practice or fashion to take a bet at such price as the horse should start at. As I say, the ante-post betting is now very small. Most of the betting now, apart from the starting price betting, is done at the post, post betting as it is called, and that begins when the numbers go up, about a quarter of an hour before the advertised time for the race.

Earl of Aberdeen.

252. What did you say about post betting?—Most betting now is what is called post betting, which begins, in fact, when the numbers of the horses go up; the horses that are to start in the race are advertised on the telegraph board, and you know then who is to run and who is not.

Lord Davey.

253. Will you kindly explain to an inexperienced person what you mean by ante-post betting and post betting?—I will explain post betting first, because then ante-post betting will follow as a matter of course. Post betting is the betting which takes place when the numbers and the names of the horses which are going to run in a particular race are hoisted on to what is known as the telegraph board, usually about a quarter of an hour before the advertised time for the race.

254. From then until they start?—From then until they start. Then they begin betting on those races. Then from that time you begin to hear the definite odds shouted out by the bookmakers in the ring. Perhaps I may mention it is a rule of betting—I daresay a very salutary one, too—that any bet made about a horse whose number has gone up is off if that horse does not actually run, to prevent manipulation of the market, of course. That it is very difficult to get accurate

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Mr. STUTFIELD.

[Continued.]

Lord Davey—continued.

accurate figures about, but I should say that is the bulk of the betting which is carried on nowadays. There are certain races—mostly the more important races—in which there is a certain amount, sometimes a considerable amount, of betting before that period, namely, it may be days or weeks before the day appointed for the race; and the first being called post betting, the other has to be called ante-post betting. One certainly does see with regard to those races the odds prevailing about a particular horse from day to day published in the papers, but the number of such races on which there is ante-post betting nowadays is comparatively small.

Earl of Harewood.

255. Should you consider that if the publication of the odds before what you call ante-post betting races were prohibited in the newspapers a considerable inducement would be removed from the public to rush in and back horses in hopes of thereby getting better odds than they would get by post betting?—I do not think so at all. I do not think that if you prohibited the publication of the odds you would reduce the volume of betting at all; of course, it is all speculation and conjecture, but I do not think so at all.

Lord Davey.

256. Does it not familiarise people—we are not talking of gentlemen who do it for amusement—but does it not familiarise artisans and people of that class with the subject of betting?—I think they would have plenty of other materials to go upon, because they know what are the horses in the race, apart from the publication of the odds.

257. That is not quite my question: is it or is it not your opinion that the daily publication of odds in the newspapers familiarises artisans and people of that class with the subject?—I am afraid I must ask what is meant by the term "familiarising the subject." It tells them, of course, what are the prevailing odds about a particular horse, but I do not think it offers any extra inducement to bet.

258. That was not quite the question, if you will do me the favour to attend to it. I asked you whether, in your opinion, it did not tend to familiarise them with the odds and the position of the different horses?—With the odds certainly; I do not think you said familiarising the odds before.

259. I said with the subject?—It certainly does; it certainly familiarises them with the state of the odds.

260. And does it not bring prominently before them the prospects of betting on particular horses?—It does not tell them any more than what are the precise odds about the horses at that time.

261. Does it not bring prominently before them the prospects of the particular horses in the coming races?—Oh, certainly, the prospect of the horses according to the opinion of other people who are backing those horses.

Lord Bishop of Hereford.

262. On this question of betting odds, you were about to give us some information on starting price betting?—With regard to starting price betting, of course, I could not say when that was inaugurated first; it is a comparatively

Lord Bishop of Hereford—continued.

modern institution. I should say certainly very much newer than the other form of betting, what I have called ante-post betting. It takes place on the smaller races in respect of which there is no ante-post betting. I do not mean to say there is no starting price betting on ante-post races, but as a rule it takes place on the smaller races in which there is no betting recorded, and perhaps no betting taking place, so that there are no odds that a bookmaker can quote. Therefore the betting is done on those terms that it should be at the odds which prevail about a horse at, roughly speaking, the start.

263. Would you say there is a great deal of that kind of betting among the people?—A great deal certainly.

264. Among people who never go near a race-course?—Yes, I should say so, but, of course, the question of publication of the odds does not come in there, because there are no odds to quote.

265. By the publication you mean before the race?—Yes.

266. What do you say as to the publication after the race in connection with starting price betting?—I should say if it were suggested to abolish the publication of the odds after the race—that is, I suppose, with the view of stopping the business of starting price betting, you certainly would not stop starting price betting, because in my view the one person who would welcome the abolition of that system of the publication of the odds would be the starting price bookmaker himself, and I will tell you why I think so. The starting price business is subject to this inconvenience and difficulty to the bookmaker. I will take an ordinary London case—that while the bookmaker knows what he is receiving in every case, he cannot know what he has to pay out. A horse may be a favourite—what is commonly called "a street-corner tip"—quite a favourite in London, while he may go to quite an outside price in the ring on the course, and, of course, it is the price prevailing on the course at the time of the start which regulates the starting price; so that very often there is no correspondence between the favouritism in town and the favouritism on the course—the favouritism from the starting price man's point of view, so that frequently while a horse what is called an outsider on the course he may be a favourite in London, and in that way the starting price bookmaker sometimes has to pay 25 to 1 on the favourite.

267. That favourite we are to understand may be an outsider?—I mean that the horse which is a favourite from the starting-price man's point of view may be an outsider on the course, so that in that way very often the publication of the odds is very much adverse to the interests of the bookmaker.

268. But supposing it were made illegal to publish the odds after the race, what guarantee would the person who had lodged a bet have that he would get his return, let us say?—I quite agree that it would really be then making each bookmaker like a sort of *Pari Mutuel*; there might be one price with one bookmaker and another with another. I daresay you know the *Pari Mutuel* system, and it would be like that. I do not think that it would stop the starting price betting. You would not bet with a man unless

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unless you could trust him, and in the long run he would find it better to pay fair prices.

269. But supposing I were to put my shilling on a horse at starting price, and it were illegal to publish the odds at starting afterwards, how should I know whether I got from the betting man what I ought to get or not?—I do not think it would be difficult to frame a scheme or plan by which the bookmakers' clients could be sure that they were fairly dealt with; I am not prepared to suggest the definite details now, but in the first place you would not bet with a man unless you could trust him, and I think it would be possible for him to note down the price before the time of starting for the race, and the price, of course, would be regulated in his book by the number of bets he had about each individual horse.

270. But human nature being what it is, do you not think that if this publication of the odds after the event were prohibited it would stop a great deal of the starting price betting?—I do not think so really, because people will bet, and at these smaller races starting price is the only system of betting, but I do not think it would be difficult to frame a scheme by which the bookmaker could show his clients that the prices he laid for particular horses were the fair prices according to the market constituted by his book. Then it would make each starting price bookmaker a separate market like the *Pari-Mutuel*.

271. You think that the ingenuity of the bookmakers would devise schemes which would satisfy the public; that is what you mean?—That is what I do think exactly. Certainly the prohibition of the publication of the odds would be not adverse to his interests in many cases, for the reason I have given you. The publication of the odds is very often a crushing blow to his book.

Viscount Peel.

272. When you say the publication of the odds on ante-post betting is of little importance, do you mean of little importance as regards its bulk throughout the country?—What I meant to say was that if the publication of the odds was stopped I do not think it would materially affect the volume of betting.

273. Amongst ignorant country people, or those who do not know the rules?—I would even go further than that, I think. I doubt if it would affect it materially at all among any classes.

274. What are the Jockey Club rules to which you have alluded as governing betting?—The Jockey Club rules do not govern betting.

275. Are there not any rules?—The rules governing betting were originally Tattersall's rules. Tattersall's was one of the hierarchies of the betting fraternity; there were also the Newmarket Subscription Rooms, and they were both a hierarchy in the sense that the committee of each institution decided betting disputes. The rules which both of those tribunals applied were known as Tattersall's rules, which were promulgated by Tattersall's Committee. Recently the hierarchy, as I call it, has been re-constituted, and now consists of one body, which is an amalgamation of the two, Tattersall's and (0.26.)

Viscount Peel—continued.

the Newmarket Rooms, but still the old Tattersall's rules prevail.

276. What is the body which supervises these rules, and sees to their enforcement?—This newly-constituted body I speak of consists of a selection for each of the previous committees, some from the Newmarket Rooms Committee, and some from Tattersall's Committee.

277. And the Jockey Club as such has nothing to do with them?—No; they do not promulgate the rules of betting, and do not decide betting disputes.

278. When disputes do arise as to the quality of the bet, or the justice of the bet, who decides them?—This committee—this newly-constituted body.

279. Who are the applicants in that case?—Anyone who suggests that he has a claim against anyone else in respect of a bet.

280. Anybody?—Yes. This is a newly-constituted body.

Lord Davey.

281. Are the rules of this body in writing?—Yes, a good many are; there are a good many of the rules of betting that depend on custom.

282. Are the rules of this body in writing?—There are certain rules in writing, but a certain number of the rules which do regulate betting transactions are not in writing.

283. That is not what I asked you?—Some rules are in writing.

284. Had we not better have the writing—
[Earl of Aberdeen.] May I venture to suggest that Lord Peel's question might be finished first.

Viscount Peel.

285. I was only going to ask you whether you think an ordinary ignorant country bumpkin, who has been misled, might appeal to this body of gentlemen to know whether he had been fleeced or not by a bookmaker?—Yes.

286. Has that ever happened?—A country bumpkin! I know what you mean—speaking broadly, yes, they would decide any betting disputes.

287. Do you think it would be possible for this body of which you speak, this amalgamated body, to suggest any rules which would protect the innocent and outside public from being fleeced?—That is the object of the rules as at present existing.

288. Can you suggest any improvement?—I beg your pardon; no, I do not think so. I think the rules as they stand are very fair. I do not think there are any rules which tell more in favour of one side than the other—the bookmaker or the backer.

289. I do not know whether you would think it right to suggest any plan by which the outside public which I have described could be protected against the fraudulent bookmaker?—Not better than he is now, I think.

290. And you can suggest no means by which the betting generally throughout the country among non-experts could be discouraged?—You mean the volume of betting?—Yes.

291. Yes?—I do not think so; I think it is the habit of the people; it is their taste to bet, and particularly on horse races.

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292. Their

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Viscount Peel—continued.

292. Their taste being to bet you can suggest no plan by which they would be protected from unfair proceedings other than what exist?—I cannot suggest any scheme by which they could be protected, and I should add to that that I do not think they need protection.

293. They ought to be left to their own ability to protect themselves?—I do not think they need protection. I do not think there is any suggestion that betting is not fairly carried on; at least I never heard such a charge, in the main, I think.

Lord Davey.

294. Have you any acquaintance with the system of betting in country towns in the north, say, in the large manufacturing towns?—It is simply that there is a great deal of street betting going on; I do not think the system of betting differs in country towns from what it is in London.

295. I daresay not. Have you any practical personal acquaintance with street betting?—Yes. I have had a good deal to do with it; I do not bet myself on the street, but I may say yes in answer to the question.

296. Have you seen people betting on the street?—No, I do not think so.

297. Have you ever seen a street bookmaker at work in the street?—I do not think I have.

298. Is it within your knowledge that boys, even children, offer him their coppers for the purpose of making bets?—I have heard that they do.

299. And is it within your knowledge that artisans of all ages and all classes, including women, put their small coins on a horse through the street bookmaker?—I believe so.

300. Is it your suggestion to the Committee that people of the type I have mentioned—the small boys, the artisans, and women—require no protection?—I do not think they do. I think I should like to ask a question on that: What is it suggested that they require protection against?

301. Protection against being over-matched or over-ridden by the professional bookmaker?—No, I do not think there is any suggestion. I never heard it suggested that they required any protection in that way at all.

302. That is not what I asked you?—I thought it was.

303. I asked you your own opinion, whether in your opinion they did not require protection?—No, I do not think they do against their being over-matched, and that is the question that I answered.

304. Against the professional bookmaker?—I do not consider that they do at all.

305. Do you think they deal with him on equal terms?—I am afraid I must ask in what sense you mean "equal terms"?

306. Do they know as much about it as he knows?—A bookmaker very often knows nothing about a horse at all: as far as knowledge goes I should say it would be about evenly balanced.

307. With the children?—I do not know about the children; they are comparatively few I take it, and I do not suppose they know much about it. Speaking broadly, I do not consider that the bookmaker has any advantage from superior know-

Lord Davey—continued.

ledge over the backer. I am quite ready to give that answer.

308. Now, I should like to know whether it is not within your knowledge that the majority of street betting, and in street betting I include all betting in public places (street betting is a general term, and you understand what I mean), public-houses, and elsewhere is at starting prices: is that within your knowledge?—I should say the whole of it.

309. Both on big races and on small races?—I should say so. I will not say that there is no street betting at quoted prices—I cannot say that—but the majority of it certainly is as you say.

310. Both on big races and small races?—I think so, yes.

311. And when you said that starting price betting only took place on smaller races, you were not thinking of the small people who bet in the streets?—If I did say that I rather misexpressed myself; I did not mean to say that it only takes place in that way. I meant that those were the bulk of the contingencies on which starting price betting did take place. I may have misexpressed myself.

312. But you tell me that street betting used as a general expression is usually starting price betting?—Yes, certainly.

313. Is it within your knowledge that it is the common practice to name the starting price as advertised or stated in a particular newspaper?—The particular custom of a bookmaker in some cases regulates that; I do not think you can say that there is any one newspaper whose starting prices regulate—

314. I did not say that?—I was answering your question in that way.

315. It is not my question. Will you kindly answer my question?—Perhaps you will repeat it then.

316. Is it not the custom that bookmakers name the starting price to be stated in a particular newspaper?—I beg your pardon, I did not understand you; I believe most of them do; in fact, I am sure a great many of them do.

317. If, then, the starting price is not to be found in any newspaper at all, that would be a check on that mode of betting, would it not?—On that particular mode of betting, yes, naturally, not necessarily on starting price betting, but betting on those particular terms.

Earl of Aberdeen.

318. I have two or three little questions in detail before you go to the law. In answer to one of Lord Davey's questions I think you indicated that you considered that there was a sort of equality as between the average backer and the bookmaker in the matter of knowledge?—Yes, I think so.

319. That is to say in the knowledge of horses?—Knowledge of horses and knowledge of the particular chances of a particular horse in a particular race. For example, I should not take what is commonly called a "tip" from one rather than from the other, and I do not think the one more qualified to give information than the other.

320. Taking a case that is not very uncommon, I have been accustomed to horses more or less, though

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though not on the turf, since I was ten years old, but if I were to attempt to go into betting, as I have not yet learned the A B C of the business, I should be nowhere: there would not be an equality of knowledge there?—No, in particular cases, of course, that is so.

321. I understood the question to be asked as to equality of knowledge in the intricacies of betting?—Of course, I was not speaking of what might happen in individual cases. What I meant was that there was no reason why the bookmaker should be better posted about the chance of a particular horse in a particular race than the backer. He makes his book quite irrespective of personal knowledge or personal fancy. He does not lay the odds according to what he thinks is to win, but according to the state of the market and the number of people backing the particular horses. He can make a book perfectly well without knowing anything about the horses at all. He may, in fact, be equally ignorant with the backer, and the most ignorant of backers.

322. Reverting to the matter of betting disputes, did I rightly understand you to say at the outset that the Jockey Club used to deal with those disputes?—Yes, they did.

323. What is the designation of the Joint Committee which now deals with the subject?—I think it is called Tattersall's; that is the amalgamated committee I speak of.

324. Have you the means of stating an opinion as to whether these disputes are increasing as compared with former years or not?—No, I should think not. I should say no. I think the rules are getting better known. A large part of the business of this committee is not so much deciding disputes as intimating to defaulters that if they do not pay their bets they will be reported to the Jockey Club, and then the action of the Jockey Club comes in, and they will warn the defaulters off Newmarket Heath, which means practically off the Turf. That is a large part of the business of this committee, when there is no real dispute at all, and judgment is given against offenders by default.

325. There was a special article in the "Times" about two years ago, in which the writer, who apparently wrote with some authority, indicated that in his opinion the Jockey Club considered that there was a good deal that could be improved in connection with some of the small race meetings; is that at all the fact, do you think?—Improvement, in what sense do you mean—the exclusion of disorderly characters?

326. Not so much that but the whole system, he thought, was not conducive to the best mode of sport, and particularly in the way the betting was carried on?—I am afraid I am not aware of any improvement that could be effected. I did not see the article you speak of.

327. As far as you know the attitude of the Jockey Club, are their powers of dealing with these smaller race meetings in any way unsatisfactory?—I have seen this suggestion at different times—that at some race meetings, and particularly the smaller ones, defaulters might be more rigidly excluded than they were; it is really a question of Jockey Club police, and in some cases defaulters are let in when they should not be; according to rule they should be excluded, but
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it is very difficult to exclude everyone who ought not to be there.

Earl of Harewood.

328. With regard to the answer you gave Lord Aberdeen just now about the equality of the bookmaker and the public bettor, I understood you to mean, and I suppose what you meant to say was that the figures were on the side of the bookmaker rather than his absolute knowledge of the subject?—Yes.

329. The logic of figures was in favour of the bookmaker?—As you know, it is difficult for the starting price bookmaker to work it systematically on the figures, because he does not know until the end what he has got to pay out.

330. But I understood you to say that you did not think the knowledge of the subject—the chances of the horses—was so much in favour of the bookmaker as the logic of figures on which he bases his system?—I said the bookmaker made his book not according to his fancies or any particular knowledge he had about particular horses; he makes it as far as he can according to figures, and therefore I suggested that as far as the knowledge of horses goes it is not in favour of the bookmaker.

331. And therefore where the inequality existed on the part of the bookmaker was in the matter of figures and not his knowledge of the subject?—Yes, if at all.

332. Something was said just now about the report of this Tattersall's Committee to the Jockey Club on which the Jockey Club warned off undesirable persons and defaulters from Newmarket Heath and all racecourses. Would you consider that a recent decision in the Law Courts had in any way tied the hands of the Jockey Club in protecting the public in this particular?—Which case do you refer to?

333. A recent libel case?—That is the case against Messrs. Weatherby, in which I was engaged myself. I do not think so, and I will tell you why I say so. That rule only touched the right of the Jockey Club as far as the Jockey Club goes to publish the results of a particular decision in their official organ the "Racing Calendar."

334. You do not consider that decision has in any way tied their hands in protecting the public against defaulters and undesirable persons?—I do not think it has tied their hands; I should have thought there were advantages in publishing a decision of that kind, but I do not think it has materially tied their hands in any case.

Lord Davey.

335. Would you kindly give the Committee some information as to the law upon this subject? I first ask you whether you are acquainted with the law relating to betting?—I think I may say yes.

336. What is the common law on the subject, if there is any common law?—I should think I should compendiously express it by saying that the common law puts betting on the same footing as other contracts; in this country at common law wagers were not void and they were enforceable by action. Also as far as a betting house goes it was not known to the common law at all; the modern betting house is a comparatively recent

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recent growth, far more recent than the common law.

337. As I understand you there is no rule of the common law which is prohibitive or even restrictive of betting or other forms of wagering? None whatever; in Scotland it was so, under the common law in Scotland wagers were void, but not so in England.

338. Now we will go to statute. What are the main principal statutes which relate to the subject of betting? Take first the Lottery Acts. Have they any bearing upon it?—That is a different subject, I think, rather to betting. There are a series of Lottery Acts, beginning with William III. and going up to 8 and 9 Victoria, prohibiting lotteries in this country, the selling of tickets in foreign lotteries, and advertising foreign lotteries.

339. Those Acts I believe were chiefly passed for the protection of the State lotteries, were they not?—I think largely.

340. And speaking generally they prohibit the holding of private lotteries?—Or any lottery whatever.

341. I said private as distinguished from State?—Quite so.

342. State lotteries are now abolished, of course?—Certainly.

343. But they prohibit the holding of any lottery?—Yes.

344. Do they contain, speaking from memory, the definition of a lottery?—No, they do not.

345. Would you kindly favour the Committee with your definition of a lottery?—I begin by saying that a definition is a very difficult thing to frame; I would attempt rather to give a description of a lottery. Before I go to that might I just mention a case which may be rather said to go on to what I think is an essential factor of a lottery, and that was the case of a building society, which was formed for the ordinary purpose of a building society's businesses, but distributed their dividends or bonuses by lot. Sir George Jessel, I daresay, it may be in your recollection, decided that was a lottery, but the House of Lords overruled it, and I think the reason—

346. I think in that case you refer to, it was the order of payment which was determined by lottery, was it not?—Yes, but there were considerable bonuses.

347. Persons subscribed certain sums, and received repayment of their bonds with a bonus?—Yes.

348. And the order in which they received payment of their bonds and bonuses was determined by lot?—Yes, but I think there were considerable bonuses, and you got an advantage by lot.

349. Very great; you got repaid double, I think, or something of that kind?—Yes.

350. That was held not to be a lottery?—Yes, and at first sight it was rather difficult to see why.

351. Was it not, inasmuch as the funds which came in year by year would not enable the company to pay everybody in one year, that you must take some mode of ascertaining the order of distribution?—Yes.

352. And to ascertain that by lot is as fair a way as any other?—Very fair; but one could

Lord Davey—continued.

not help seeing it was a gamble for the benefit of some at the expense of others.

353. Those who came last; at any rate that was held not to be a lottery?—Yes.

354. But to be a mode of determining the order in which certain creditors should be paid?—Yes. Then I think to make a lottery there must be certainly two or more—I do not suppose there could be a lottery consisting of only two; but a number of persons contributing to the scheme—then that some should get benefits at the expense of others. That is another essential of a lottery.

355. We were told the other day that under the system of coupons, where persons made payments into a common fund, accompanied by a prediction of a horse, those who made the lucky or right predictions received a prize, and those who did not received no prize, and we were told that was held not to be a lottery; has that been so held?—That has been so held.

356. Can you tell the Committee the reason why?—Because of what I was coming to, the third element in a lottery; the determination of the persons who were to receive the bonuses by lot.

357. By chance?—Chance, such as tossing up a coin or putting your hand into a bag, and drawing out at random. In the case of the coupon you select your horse, and you select your horse according to what you believe to be his chance.

358. Is not the real differentia of the lottery that it depends purely upon chance?—That is it; that is one element.

359. And where superior skill or superior knowledge comes in, it is not a lottery?—That is so.

360. And therefore the coupon system is not hit by the present Lottery Acts?—Not by the Lottery Acts; it is a bet not a lottery.

361. Is any form of betting you are acquainted with, coupon betting or any form of betting, hit by any of the Lottery Acts?—No.

362. So that we may put the Lottery Acts for the present purposes out of consideration?—Out of consideration, yes.

363. The only other Act which deals with betting is the Betting Houses Act?—Before we go to that you asked me to give you a description of a lottery. We have now got the chance; there must be a contribution by two or more; there must be some who receive prizes at the expense of others, and the determination must be by lot or chance. Then there is a fourth element—I do not know that it is material, but seeing that I have been asked I may as well go on, and here is where this building society decision comes in, for it to be a lottery the distribution of these prizes by chance must be the main primary object of the scheme. In the case of the building society the main object of the society was to make money as building societies do, and the question of distributing the prizes and the money they made was a subsidiary object altogether.

364. If lotteries do not concern us it is not worth while to proceed with the subject; but is that so? Is not every lottery held for the purpose of raising money and funds? Take an ordinary raffle, the Art Union raffle, is not that for

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for the purpose of raising funds?—Certainly, but there the distribution by lot is the primary object of the scheme, and it was not so in the Building Society case.

365. I thought you said it was not for the purpose of raising money?—No, I did not say that; I said the primary object of the scheme was the raising of money to distribute by chance. Where the distribution by lot or chance is secondary it does not come into the Lottery Acts.

366. You have just told me that no form of betting, which is the subject of our investigations, comes within the Lottery Acts?—No.

367. And, therefore, for our present purpose the Lottery Acts may be put out of the question?—Certainly.

368. Is there any other statute except the Betting Houses Acts which affects or concerns betting?—Yes. You mean from the penal point of view? There is one—I do not know whether you are referring to it—namely, the Gaming Act of 1845, which was the first Act which made all wagers void and irrecoverable. I do not know whether you care to go into that, because, if so, we must go back a little further, as the first statute was in the reign of Charles the Second.

369. You say that wagers, including bets, were first made irrecoverable in Charles the Second's reign?—No, wagers for certain amounts.

370. Before Charles the Second?—I beg your pardon, the Act in Charles the Second's reign was the first Act which made any wagers irrecoverable.

371. That is the law still?—No, the statutes of Charles the Second and Anne have been modified lately.

372. Is not that the law at present—that a bet on a horse race or any other contingency is not recoverable?—It is not recoverable, and it is now the Act of 1845 which applies to that, section 18.

373. That is the law at present under whatever Act it may be?—Yes.

374. What is the date of the Act?—8 and 9 Victoria cap. 109, s. 18.

375. Suppose that two persons bet in this form, that they each deposit the amount of the bet—and we will call it a sovereign to make it intelligible—in the hands of a stakeholder, can the one who wins recover from the stakeholder?—He cannot recover the two sovereigns; he can give notice to the stakeholder as to the one he has deposited, and he can recover that, and the one who loses can do the same before the stakeholder has in pursuance of his authority paid the two sovereigns over to the winner.

376. But the stakeholder cannot make a contract with the two parties that he will pay over the two sovereigns to the winner?—No.

377. That is unlawful, too?—It is dealt with by the same section 18.

378. It is irrecoverable even in that form?—Yes.

379. That was at one time supposed to be lawful?—It was doubtful, I think.

380. It was made unlawful by that Act?—The decisions have held that that Act prohibits these two sovereigns being recovered.

381. Is there any other statute law you would like to refer to?—There is the Act of 1874.

Lord Davey—continued.

382. What is that upon?—That is upon advertising bets; it was supposed—whether it was intended I do not know—

383. Advertising bets?—Inviting people to come and take a share in bets in betting houses. I think that is as fair a summary as I can give the Committee.

384. Is that an amendment of the Betting Houses Act?—Yes, an amendment of section 7.

385. Then we will deal with the Betting Houses Act before we come to that?—Section 7 is the section dealing with the advertisement of betting houses.

386. The Betting Houses Act is 16 and 17 Victoria, chap. 119?—I think so.

387. In the year 1853?—Yes.

388. Can you state generally to the Committee, without going into details (I can give you a copy of the Act if you like), what the effect of that Act is, speaking broadly?—You mean the whole Act?

389. Yes?—Yes, I think I can put it shortly.

390. It was “An Act for the suppression of betting houses?—Yes. Firstly, keeping a house or office for the purpose of the occupier of that house betting with persons resorting to that house, which term “resorting” has been held not to include mere betting by correspondence.

391. Do you mean that if I, living, say, in London, correspond with a gentleman keeping a betting house in Leeds, that is not an offence under the Act?—Not if you were only corresponding with him.

392. Corresponding for the purpose of his business you mean—to make bets with him?—It would never be criminal on the part of the customer, but subject to a word or two I have to say about ready money, it would not be criminal on the part of the keeper of the office at Leeds.

393. To make bets with me?—To make bets with you by correspondence.

394. Supposing the gentleman I refer to keeps an office, say, in Leeds, and I send him a 5*l.* note on a particular horse at a particular price, would not he be keeping a betting house within the meaning of the Act?—Subject to this—I must qualify my answer rather—I think as the law stands now he would come not within the part of the section I have alluded to already, but the next part, and that is why I said just now, apart from the question of ready money. If you made that bet with him without sending him the 5*l.* note—if that was the way he conducted the business of his office—he would not be within the meshes of the Betting Houses Act, because he would not be keeping a house for betting with persons resorting to that house.

395. Do you think it possible that the courts might hold that a person who, without physically resorting to the house, resorts to it by the familiar mode of a letter or telegram, is a person within the Act?—They have held that he is not in the *Queen v. Brown* in 1895, 2 Q.B.D., I think.

396. And that he must physically resort to the house?—It means physically resorting to the house for the purpose of that part of the section.

397. For the purpose of the first part of the section?—Yes. Now, when you come to the second that is another purpose—keeping the house for a second purpose—receiving money as the consideration of a promise to pay in the event of a horse race.

398. Or

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Lord Davey—continued.

398. Or other race?—Yes. I have summarised it.

399. It is not confined to horse races?—Certainly not; but that part of the section is confined to receiving money on a promise to pay in the event of some game or sport.

400. "Horse race or other race, fight, game, sport, or exercise"?—Yes.

401. It is keeping a house for that purpose?—Yes, or any place held to be a "place."

402. "House, office, room, or other place"?—Yes, this part of the section has generally been supposed to cover the case of keeping a house for ready money betting. If that of course be the real construction of the Act, then to answer the question Lord Davey put to me about sending the 5*l.* note, the man at Leeds who kept the office would be within that part, because it does not there speak of receiving money from resorters. That is why I made the exception, but I want to point out that there is a question on that which will come before the Courts, and possibly up to your Lordships' House eventually, to decide whether it really refers to ready-money betting.

403. We will not discuss appeals?—I only want to point out that as the cases stand now in the case against Stoddart he was convicted of receiving money under that section with regard to keeping an office for receiving money. I think there is another view to be taken of that; that does not really refer to ready money betting as strictly understood at all. The first part of the section dealt with betting without specifying whether it was credit or ready money betting.

404. It says nothing about ready money betting in the Act?—The word is not used, but that part of the section was held in the Stoddart case to apply to the case of ready money betting, and if that be the true view then the "resorting" is not necessary where you send ready money. As I say that will be subject to review in a short time I am afraid it is a little abstruse, but I will do anything I can to make it clear.

405. "No house," etc., "shall be opened, kept, or used" "for the purpose of any money being received on behalf of" the keeper of the house for the consideration or promise of paying on the contingency of a horse race, etc.?—That is it.

406. That is the one under which Stoddart has been convicted?—Yes.

407. What is the other main provision of this Act?—I think one can go then to the advertising section. All the others are more or less subsidiary. The advertising section is Section 7.

408. "Any person exhibiting or publishing or causing to be exhibited or published, any placard," etc., "or advertisement whereby it shall be made to appear that any house, office, room, or place is opened, kept, or used for the purpose of making bets or wagers, in manner aforesaid, or for the purpose of exhibiting lists for betting, or with intent to induce any person to resort to such house, office, room, or place for the purpose of making bets," should be convicted, and so forth; that is what you refer to?—Yes, the advertising.

409. Have there been any decisions upon that which illustrate it?—There was one the other day—I was in the case myself—arising out of the Stoddart transactions, and the name of the

Lord Davey—continued.

case was Stoddart v. the Argus Printing Company.

410. That we have heard was a friendly action?—It was a friendly action.

411. Between Stoddart and his printer?—Friendly in this sense. I do not want to speak with certainty without knowing absolutely, but I think the Argus Printing Company took the objection and they were advised that there was a doubt about it. It was in one sense a friendly action in that the parties were perfectly friendly, but I think I am right in saying that the Argus Printing Company took the exception under advice that the advertisements they were publishing were an infringement of that section. No doubt they for a time discontinued the publication and broke their contract so as to found the subject matter for the action.

412. What was decided in that case?—It was that the section only applies to advertising a house kept for the purpose mentioned in the first part of Section 1.

413. "For the purpose of making bets or wagers in manner aforesaid"?—That applied only to keeping a house for the purpose mentioned in the first part of Section 1, namely, betting with persons resorting; it did not apply to advertising the house kept for the purpose mentioned in the second part of the section, namely, receiving money on deposit. Therefore as the Stoddart system excluded all transactions with people resorting to the house, the advertisements in question were not within Section 7.

414. What court was that decided by?—Mr. Justice Bruce and Mr. Justice Phillimore.

415. Did it go to the Court of Appeal?—It did not.

416. Have you any other remark to make upon this section?—No, I do not think I have.

417. So that the proprietor of a newspaper like Stoddart's newspaper, "Sporting Luck," may advertise the lists?—Not lists, I think; I think lists are prohibited under the section.

418. That is prohibited absolutely, is it?—Advertising betting lists.

419. He may advertise that the office of his newspaper is prepared to receive sums by cheque or postal order?—No, I think not, because if he did that they would say, "You are keeping your office for an illegal purpose," but he could advertise that somebody else was prepared, otherwise he would come within it himself as keeper of the office.

420. Any newspaper may advertise that another newspaper is conducting the coupon system of betting?—That is so; that is the decision. I may also point out that there was another objection to this advertisement being in any way illegal; the contention was, that the advertisements prohibited there were advertising houses prohibited by the Act. Now the house here where the business was carried on was abroad, and of course the Betting Houses Act, Section 1, could not make houses abroad illegal whatever their business was, and as Section 7 refers to the same houses as Section 1 the section could not apply to the foreign houses.

421. As I understand you the advertising section has been held first not to apply to the advertisement of a person conducting the coupon system of betting?—Quite.

422. Or

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[Continued.]

Lord Davey—continued.

422. Or a person keeping a betting house situated across the Channel?—That point was not decided; it was argued but not decided.

423. I understood you to say it was decided, but in your opinion that is so?—Certainly.

424. Do you see any objection to the Act extending that section to advertisements of persons conducting the coupon system in this country?—Personally, I do not see any objection to it; I do not know whether it would do any good.

425. I asked you whether you saw any objection to it?—In what sense objection? Do you mean difficulty in enforcing it?

426. Any legal objection or any moral objection?—It would be going very far it strikes me.

427. That is the only objection you see?—It would be going a great deal too far.

428. You see it is illegal for a person to keep a betting house in this country, and advertise it, but it is not illegal to keep a betting house in Holland, and to advertise it here; that is so?—That is so; I think that is clear.

429. And money can be transferred to Holland with almost as much ease as to a house in this country, can it not?—There is a little more difficulty; there is a little difference; you have to pay rather more for the postage, and so on.

430. Suppose I send a cheque?—Of course, there is not a great deal in that; it would refer only to the smaller people who send the money over.

431. I will put my question to you in a different form; will you tell me why the invitation from a house in Holland to persons in this country to bet with them in Holland should not be prohibited as much as the invitation to persons in this country to bet with them in a house in London?—You say why should not it be prohibited?

432. Why should not the one be as much prohibited as the other? The mischief is the same, or nearly so; it is the same in kind?—Except for this, that you can very much more readily send your money to a betting house in this country than to Holland.

433. The mischief is the same in kind?—If there be any mischief it is the same.

434. But it is not so great in degree. You say it is more difficult to send money to Holland or to a French house in Boulogne?—I do not think there is very much in that.

435. But putting that aside, the mischief being the same in kind, although different in degree, is there any reason in legal principle that you can see why the advertisement of a house in Holland should not be equally prohibited in this country?—No, I do not see any reason in legal principle at all.

436. But I understand you to express the opinion that you do not think it would do any good?—I do not think so.

437. Perhaps you do not think any provision of that kind will do any good?—You will never stop betting, either starting price or any other.

438. You do not think that any legislative provisions will do any good in checking; I do not say stopping betting, but in restricting betting amongst, say, the lower classes?—I should not be prepared to say that the Betting Houses Act have not done a certain amount of good; if you look upon it in that way, inviting

Lord Davey—continued.

crowds of people to resort to a particular house, and creating scandal that is affording greater facilities than a house open to betting by correspondence, I think. There is a great deal of difference, and I think what was aimed at by the Act was the resorting of people to such betting houses.

439. This Act was, according to its title, and the preamble, "for the suppression of betting houses"?—Of the betting houses which existed at that time.

440. It does not say so; it says "any house"?—It speaks of the kind of betting which had "of late sprung up."

441. The words may be large enough to cover all kinds of betting houses?—Yes, but it has been held that they do not.

442. That I will not discuss with you. If you say that the Betting Houses Act has done good, do you see any objection to a reasonable extension of that. It might possibly do more good, and meet the necessities of the present time, as well as the Betting Houses Act met those of the year 1853?—My own view is that the Betting Houses Act has gone as far as it is likely to do any good; I do not think an extension of it would do good.

443. You do not think where new forms and new kinds of betting arise they ought to be dealt with in the same way as the Betting Houses Act of 1853 dealt with what existed at that time?—I do not think the Act was really intended to suppress betting.

444. You do not think that new forms of carrying on the business of betting should be dealt with in the same way as the betting houses were dealt with in the year 1853?—No, I would not advocate any extension, that is to say dealing with modern forms of betting as we know them. I do not think there is anything in the modern forms of betting calling for the extension of the Betting Houses Act; I prefer to put it in that way.

445. Would you tell me now something about the application of the Betting Houses Act; I will take you before the Kempton Park decision and after. Before the Kempton Park decision, a public-house in which a bookmaker carried on his business was held to be a "place" within the meaning of the Act, although the bookmaker or professional bettor had no occupation of any inch of ground within the bar or room of the public-house. There were several decisions to that effect?—There were.

446. And I think there was a decision which related to a place I used to know at one time—Stockton—that a man standing under a shed by the side of the river below a bridge I think it was, and betting with people during the dinner hour, was held to be infringing the Act. It was a case in the Court of Appeal?—Do you mean the case of *Little v. Lofthouse*? Was not the man standing by a post?

447. I think so. The Kempton Park case decided that the ring of the racecourse was not a place within the meaning of the Act?—Did they quite decide that?

448. What do you say they decided?—I do not think they decided that. I think it was admitted on both sides that the ring on the racecourse might be a "place," and that physically it had all the

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the characteristics of a place. What they held, as I understood, was this, that there was nobody in the position of "person"—in the words of the Act, "owner, occupier, or person using the same" betting with all comers. That is what I understand the Kempton Park case to say, and if the Kempton Park people had confined the betting in the ring to their own bookmaker, possibly that might be within the Act.

449. If I take you rightly, the Kempton Park case—I only want to get it historically—according to your view decided that a bookmaker in the betting ring on the racecourse did not himself occupy that ring, and was not using it for the purpose of betting with the consent of the occupier?—He was not a person using the same.

450. I say he was not using it; he was not a person using the same (that is the phrase I understand) for the purpose of betting?—I beg your pardon, it did not quite say that according to my view.

451. I am only trying to get your view?—My view is that to bring the place within the Act there must be a person there in the position of an owner, of an occupier, or a person using the same.

452. With the permission of the owner or occupier?—I do not think it says that; it is "a person using the same." What your Lordships' House decided was that the bookmaker did not occupy any of those roles at all; he was not the owner of the place, he was not the occupier of the place, and he was not the person using the place, as I understood. "A person using the same" meant somebody in the position of occupier, although he might not be technically an occupier and on the rate book. The person using the same" meant the person in possession and control. That is what the Kempton Park case decided.

453. Very well, I take your view of it, that unless he fulfils those characteristics he does not come within the Act?—That is so.

454. Has there been any public-house case decided since the Kempton Park case?—Yes, there was one, Busby in 1899.

455. What was decided there?—It was under rather exceptional circumstances; there it was held by Mr. Justice Grantham and Mr. Justice Wright, I think, that the bookmaker in question was practically in the position of "a person using the same," because he had, according to the facts as found by the magistrate, sole possession of that bar for the purpose of betting, and they held that he was within the doctrine of the Kempton Park case, "a person using the same."

456. How was he in sole possession of the public bar in a public-house?—I said for the purposes of betting. There was evidence that the landlord was there, and saw what was going on, and practically constituted this man the sole betting man of the bar; that is what they decided.

457. And that that was not within the Act?—That that was within the Act; he being for the purpose of betting the person in possession of the bar, he came within the words of the Act as "a person using the same."

458. That is to say, in your view—we want to understand what the law is as far as our limited intelligence enables us to: is it your view that if there had been two or three or four bookmakers allowed to come within the bar that would not have been within the Act?—I think so; I think

Lord Davey—continued.

they would have held that, unless certainly there was some evidence that the landlord placed them in the position of the sole licensees for the purpose of betting.

459. Do you not think there is some difficulty in the previous decisions on public-houses since the Kempton Park Act?—Certainly; I think practically they are overruled.

460. I want to ask you as to one or two other classes of cases. You do not remember the Stockton case I refer to?—Unless it was Little and Lofthouse, which I think it was.

461. I think that was one of the names. Do you consider that is good law now?—Yes, I think so, quite consistent with the Kempton Park case if I recollect the facts, because there was a place there which the man was in practical occupation of.

462. It was a public place, was it not? In the case I meant it was a public place which anybody had the right to resort to?—But I think there was a special part of that place which he had appropriated to himself.

463. The case I meant was standing in a public place which anybody had the right to resort to—all the world had the right to resort to: should you consider that after the Kempton Park decision could be hit by the Act?—No, I should say not unless, as I say, there was some spot of which he had *de facto* possession; that might be enough, if he had *de facto* appropriated a position to himself he might be within the Act.

464. And had the right to exclude other people?—I do not think that would be necessary if he had *de facto* appropriated it to himself.

465. I suppose whenever any of us stands in a public place in the street we *de facto* appropriate some part of it to ourselves?—It must be circumscribed in some way; there must be some definite circumscribed space.

466. Some railing?—Something of the kind.

467. If I put up a railing in the park where I have no right to exclude any of my fellow Londoners, can that give me any greater rights?—I should say that would not be within the Kempton Park case myself, but there are cases which say that it is.

468. Before I pass from this I should like to ask you this: It is your view that the effect of the Kempton Park case has been to overrule some at any rate of the previous decisions on this Act?—Oh, yes, certainly. There were two cases I could mention.

469. Including what I will call compendiously, apart from special circumstances, the public-house cases?—Yes. You did ask me if I should suggest any extension of the Betting Houses Act, and I said no, I should not; but I did intend to reserve to myself the opportunity of saying something about the Licensing Act. Personally, I should be dead against betting in public-houses, and I think the more that was suppressed the better. I do not think in doing that you would hit the interests of anybody worth considering. I think a very short emendation or extension of the Licensing Act would hit that.

470. Do you conceive that the magistrates have at present when a publican comes for the renewal of his licence the right to refuse it on that ground? Would that be a tenable ground of objection?—I do not think they would.

471. Are

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Viscount Peel.

471. Are not those words expressly in the Licensing Act?—I believe he has the legal right to do it.

Lord Davey.

472. You think they have?—I am not much up in licensing law, but I think they have.

473. We will not take your opinion then?—I wanted to point out something with regard to the Licensing Act. The Licensing Act prohibits a landlord from permitting his house to be used for purposes contrary to 16 and 17 Vict. That only hits him if he puts a bookmaker in there in exclusive possession, so as that the bookmaker should be within the Kempton Park case. I think a very slight emendation or extension might be very desirable to hit the public-house cases. If you prohibited him from allowing betting—not betting contrary to 16 and 17 Vict., but from permitting betting in the same way as he is by the second section prohibited from permitting gaming, that would hit him. You might also prohibit all public-houses from being used for the purpose of betting.

474. Is there anything more you would like to say on the Betting Houses Act?—No.

475. As time is short I should like to ask you another question. We had some evidence the other day about the athletic grounds and football matches and cases of that kind, where gate money is received, and where the professional bookmakers go in like the general public with their books in their pockets and without anything to show what their business is, and then they carry on their business on the grounds. We were told that since the Kempton Park case it had been found difficult—I will not say due to the police, because they are always ready to do their duty, but the police had some hesitation or difficulty in stopping the business of the bookmakers being carried on under those conditions; have you any view as to that as to what the law is?—I take it since the Kempton Park case it is not an infringement of the Betting Houses Act.

476. Just explain what you mean a little more. I assume half a dozen bookmakers in different parts of the ground, if you please, taking their stand with their books in their hands, and betting with any person who comes to them; is that in your opinion illegal, having regard to the decisions and the Betting Houses Act?—My view is, it is not an infringement of the Betting Houses Act since the Kempton Park case.

477. Then there would be a difficulty once the bookmaker gets into the enclosure, after paying his gate money, there is no legal means in your opinion of stopping his betting with persons who resort to him within that enclosure?—The proprietors could.

478. Wait a minute. There is no legal means once he gets in?—No; only I suggest the proprietor could have him turned out.

479. Now we will come to that. Could the proprietors get him turned out when he has paid his shilling and once comes in?—Yes, that has been decided.

480. On what ground?—Wood v. Leadbetter, on the ground that it was a breach of contract between the proprietor and the man who goes in, but he has got no proprietary interest in the land by virtue of what is purely a verbal agreement.

(0.26.)

Lord Davey—continued.

481. He might revoke his licence, and that would apply to a case where it was made a condition at the gate, a notice being put up, "No betting will be allowed in the grounds." Then I understood you, and I can follow that, he could be removed; but supposing no condition and no contract of that kind is made and he pays his shilling at the gate and goes through the turnstile like any other member of the public, could the proprietor in your opinion turn him out?—Yes, I think so. Wood v. Leadbetter decided that.

482. Was there no condition made there?—No condition at all. He might be liable to an action for breach of contract.

483. I see what you mean—he might revoke his licence?—Yes, it is a revocable licence.

484. But the owner might be liable to an action for breach of contract?—He might; I do not know what the damages would be.

485. Is that in your opinion a very satisfactory state of the law?—I think it could be put on a more satisfactory footing by the proprietor putting up printed notices: "No betting allowed," and the entrance is on condition that no betting goes on; it could be easily put on a different footing.

486. Then supposing that the proprietor puts up a notice at the gate before he went in, "No betting will be allowed within the enclosure," and the man betted within the ground you say the proprietor could have him removed?—I understand that to be the law.

487. But the police could not interfere?—Excepting as agents for the proprietor. In these private grounds do the police really act as servants of the proprietor?

488. I do not know; I express no opinion, it is no good asking me. But except at the request of the proprietor the police would have no authority to interfere?—No.

489. Then you were going to tell us that there is another later Act?—1874.

490. It is not very important, is it?—No.

491. Will you tell the Committee the effect of it?—The effect of it is that it prohibits advertising that information will be given with regard to bets. That is the best summary I can give of it; I think it is fair. There is a great deal of verbiage in it.

492. That tips will be given?—Yes, it is not a general prohibition of tipping; it has been decided recently that that Act only applies to information advertised to be given with a view to bets being made in a house prohibited by the Act of 1853, so that it is not a general prohibition of tipping.

493. It goes beyond Section 7 of the previous Act?—Yes, but it did not prohibit advertising that information or tips would be given.

494. It prohibited betting lists?—Yes, and advertising betting houses, but it did not prohibit the advertising of information. I forget the chapter of the Act of 1874.

495. "Any advertisement whereby it should be made to appear that any house is opened or kept for the purpose of exhibiting lists for betting." I see what you mean?—There might be a great many cases of advertising information or advice which do not come under the heading of a betting list.

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496. Has

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[Continued.]

Lord Davey—continued.

496. Has the Act any further effect than that?—I think not.

497. Have there been many decisions on it?—The case I was referring to the other day of Stoddart and the Argus Printing Company decided that the Act did not apply to that, and also there was a decision of *Cox v. Andrews*.

498. Will you give us the reference to that case?—The reference to that is 12 Queen's Bench Division; it was attempted to enforce the Act against the proprietors of the "Licensed Victuallers' Gazette" for publishing—well tips, I will say—prophecies as to the winners of particular races; held that the Act did not apply to that, but only to advertising information or advice, for bets in a betting house.

499. From your description the Act has a very restricted scope?—I should say a very restricted scope indeed.

500. Is there any other Act relating to the subject to which you would refer the Committee?—There is the Act of 1892—what is known as Lord Herschell's Act; there are two of 1892, I think.

501. Lord Herschell's Act you should refer to; that is really money lending?—Yes, money lending and betting, both.

502. Applying to infants?—Yes.

503. I do not think you need comment upon that?—There is also another Act which prohibited a commission agent from recovering money he has disbursed in respect of bets made on behalf of his principal, thereby overruling a case within your recollection, *Reid v. Anderson*.

504. That is an important Act; have you the reference to that?—1892.

505. Before that Act it had been held in *Reid v. Anderson* that, although you could not recover a bet a person who had paid money on account of another person in payment of that third person's bet might recover that from his principal?—That was so.

506. So that for example if I was a betting agent, and acted between two persons who betted with each other, and a person who lost sent me the money to pay the other, or I paid the other without having received the money, I could recover the money?—That was held.

507. That has been negatived now?—It has been negatived now by statute, but the statute does not provide for the converse case; it does not prohibit the principal recovering money received by the agent; if the agent has made a bet for the principal, and he has received the money, it does not prevent the principal recovering the money from him.

508. I suppose Parliament thought an agent who receives money belonging to his principal ought to be made to pay it up under any circumstances?—Yes.

Earl of Aberdeen.

509. When you were speaking of betting houses in Holland, and so forth, did I rightly understand you to say that you did not think a great deal was done in the matter of sending remittances?—I did not mean to say that; I think the business is very considerable.

510. Representing a large number of people with small stakes perhaps?—In the coupon business certainly. When it existed in this country

Earl of Aberdeen—continued.

the stakes sent were very small—as a rule 6d. and 1s.

511. Referring to the matter of the Lottery Law, are sweepstakes, strictly speaking, a lottery?—Yes, it has been held to be.

512. Does it come under the Act?—Certainly; it has been held that all the ordinary Derby sweepstakes, such as are held at every West End Club, come within the Act.

513. Was there not a club in the North of London on which there was a raid made by the police?—Lately do you mean?

514. Quite lately, within a year I should think; and I believe the fine was remitted?—I think I remember the case. Do you mean a case down in Sussex at Assizes, in which they tried to bring him under the Betting Houses Act for receiving money on deposit? I rather think you must refer to that.

515. I think the case I refer to was an ordinary small club in the North of London. The sweepstakes would come under the Lottery Act?—Certainly.

516. Would you kindly define what in your estimation would be properly described as a betting public-house. Have you not used that expression?—No.

517. I thought you did when speaking of the Licensing Act?—I do not think the betting in public-houses is very desirable, whatever may be said about betting elsewhere; what I suggested was that a very short alteration or extension of the licensing law, not the Betting Houses Act, would cover the case; if instead of prohibiting the use of the public-house for a purpose contrary to 16 and 17 Victoria, which only includes the case where there is an occupier betting against all-comers, you might prohibit betting in public-houses altogether, or prohibit the business of betting being carried on in public-houses.

518. That is as a recognised place for bookmakers to conduct their business?—As it stands now, since the Kempton Park case, I think there is no doubt that any number of bookmakers can go into a public-house and carry on their business there, betting with working men perhaps when they are not in a condition to bet. In those cases I think I will withdraw the observation I made a short time ago with regard to the bookmaker and backer being on the same footing. I was not thinking at that time of the possible case of betting being conducted in public-houses. I think for that reason it would be quite reasonable to prohibit betting in public-houses. The present law does not prohibit it because of that decision about Kempton Park, that the bookmaker is not a person in occupation.

519. But under the Licensing Law you think it could be done?—I think if any alteration in the law in that direction were to be made I should suggest it should be an extension of the licensing law; it is more cognate to that.

Earl of Harewood.

520. Am I right in thinking that a bet is not recognised in any way by the law?—In saying "not recognised," you mean you cannot recover a bet in any way.

521. But supposing I instruct a bookmaker or other person to invest for me, we will say 5l. on the

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Earl of Harewood—continued.

the chance of a certain horse for a certain race, he can recover that by law, can he not?—No; if you treat him as an agent—

522. If I instruct him to invest for me 5*l.* on the chance of a certain horse for a certain race and I lose that 5*l.*, and I do not pay it, he can recover it from me by law?—His right of action has gone entirely since the Act of 1892, which I referred to just now. On the other hand, if the bet was won and he received the money, you could recover from him.

523. Supposing the horse started at 5 to 1 he would therefore owe me 25*l.*, but I could not recover that by law; I could only recover the 5*l.*?—If he received the 25*l.* you could recover it, but if you bet the 5*l.* and lost, he could not get it back out of you.

524. Supposing it were possible by legislation to render all bets recoverable at law, which party to the transaction do you think it would benefit most, the bookmaker or the backer?—I should say that the bookmaker would benefit by that change or, in other words, he loses far more than the backer.

525. Of course, legislation benefits nobody in particular?—And I think for this reason, that the bookmaker lives by credit and he must pay; the backer, on the other hand, has not got a business which is supported by credit, and sometimes he does not pay.

526. Therefore, you think it would benefit the bookmaker more?—I think it would benefit him far more than the backer; the existing state of things is more against the bookmaker than it is against the backer.

527. And which would you say made more bad debts in the way of betting—the bookmaker or the public who bets with him?—The bookmaker unquestionably.

528. He makes more bad debts?—Yes, the bad debts made by the public are very small for that reason—that the bookmaker has to pay, otherwise he must cease to carry on his business.

Lord Bishop of Hereford.

529. How would you define a bookmaker so as to distinguish him from any other person who makes a bet?—In the first place a bookmaker makes betting a regular business, and the business was fully described in the case to which allusion has been made this afternoon, the Kempton Park case; the nature of his business was drawn out there with great particularity of detail so that your Lordships' House should be in full possession of the exact nature of the transactions which went on. I think I could very shortly explain to you the difference in the transactions between the two.

530. I do not wish to ask you to go into it at any length, but you might give us a definition which might be useful to us hereafter?—A backer will select one or two horses in a race, and he says: "I back those horses to win." Now a bookmaker's business is something quite different to that. His business is commonly called laying against particular horses, but he does not; every time a horse is backed the bookmaker does not lay against that horse, but he backs the field against it, namely, every other horse in the race, and a distinction is made between laying against a horse and backing the field. His object is to back the (0.26.)

Lord Bishop of Hereford—continued.

field against as many horses in a race as possible, so that whatever he has to pay out over one horse he is more than covered by what he receives on the other horses that lose, so that if there were ten horses he begins with one at 2 to 1, and another 6 to 1, and if he pays out 2*l.* on the one horse, he may get 5*l.* or 6*l.* on the others that lose.

531. Do I understand that it would be possible to make the business of the bookmaker illegal without interfering with the ordinary man who might wish to bet?—Betting cannot go on except with a bookmaker; you could not get anybody to lay you odds unless he was making a book, because the essence of it is that if you have to pay a large sum, perhaps 5 to 1 or 10 to 1 against one horse, you are covered by the other bets you have made.

532. You say betting cannot go on without a bookmaker. Could not I make a bet with a friend without myself becoming a bookmaker?—You could do so, but my point was that you could not get the friend to make a bet with you—a bet that would be satisfactory to yourself.

Lord Davey.

533. So that the bookmaker is at the bottom of the whole system of betting?—I think I would go farther, it is the backer that creates the want of the bookmaker, and then the bookmaker springs up.

534. I thought you told the Right Reverend Prelate that betting could not go on without a bookmaker?—I quite say that, but I say it does not begin with the existence of the bookmaker; it is the backer's desire to bet that has called the bookmaker into existence.

Lord Bishop of Hereford.

535. May I ask this further question: Supposing it were possible legally to put an end to the bookmaker, what would become of the betting?—"If"—it is a very large "if"—there would be no betting; it would be quite impossible to put an end to the bookmaker.

536. Obviously the policy of those who wish to put a stop to betting is to put a stop to bookmakers?—If they can do so, of course.

537. You told us a good deal about the law, but I do not think anything was said about power to make bye-laws; the municipalities or local authorities have power to make bye-laws with regard to street betting?—Not specifically with regard to that, but if you go back to the Municipal Corporations Act of 1882 I think their powers to make bye-laws are, firstly, for the suppression of nuisances; secondly, for the good government of the borough; and you have got ample power to make bye-laws in respect of these matters.

538. That includes betting in public places?—I may say that question was tried in an action I was in myself.

Lord Davey.

539. It was held to include it?—It was held to include it—the very widest bye-laws possible.

Lord Bishop of Hereford.

540. It is recognised they can make the very widest possible bye-law with regard to that?—It has gone very far, even to make it illegal to settle

22 July 1901.]

Mr. STUTFIELD.

[Continued.]

Lord Bishop of *Hereford*—continued.

settle bets on the street; it has gone as far as that.

541. I have here an account of *Thomas v. Sutters*?—That is the case I am referring to.

542. In which it was held that the bye-laws were valid?—Yes, that was a London County Council bye-law.

543. What sort of case was that? Was that one of these friendly actions?—It was a friendly action.

544. This account describes *Thomas and Sutters* as partners?—Yes, they were partners.

545. And they got up this case with a view of seeing whether the law could be upheld?—The difficulty of these cases is that you can only bring them before the High Court on appeals from magistrates, which are criminal matters; you cannot go beyond the Divisional Court with them. The case of *Hawke v. Dunn* decided the illegality of the betting ring, and it is necessary to find some means of taking the case to a higher Court.

546. Were these real partners?—Certainly.

547. It was a real partnership; they were *bona-fide* partners?—Yes, we ascertained that first; perhaps it would not have been legitimate unless it was, but they were real partners; we ascertained that before the action was brought.

548. Is this Mr. Sutters a bookmaker?—I do not know; he was then.

549. Is he the same person who is now secretary to the Bookmakers' Association?—I expect he is.

550. But with regard to the character of suits of this kind, was the *Kempton Park* case of a similar kind—what is called a friendly case?—Yes. I may say that the judges knew the origin and genesis of the case; Lord Russell certainly knew it, and some of the judges of the Court of Appeal knew it.

551. These are cases brought before the Court with a view of getting a point settled?—Yes.

552. They are called friendly. I have seen the word "collusive" applied to them?—If by that is meant that there is anything improper, or any attempt to get a decision by default on the other side, that was not a justifiable word to use at all.

553. But it seems to be a matter of great interest because the *Kempton Park* case seems to have practically altered the law?—It reversed the law as laid down by the Queen's Bench Division in *Hawke v. Dunn*.

Lord Davey.

554. And in your view a great many earlier cases as well?—Yes. At the same time I should like to say there were others more consistent with the *Kempton Park* case than with the other cases.

Lord Bishop of *Hereford*.

555. I do not know about these things; I should be glad to know whether you think the bringing of friendly actions of this kind is a satisfactory way of ascertaining the real state of the law?—I think that it is absolutely necessary to have some means by which important points of law which are calling for decision should be brought before the Courts without waiting for what I will call absolutely hostile proceedings. It is almost a necessity, particularly when the laws of our land—

Lord Davey.] They are argued by counsel.

Lord Bishop of *Hereford*.

556. Are they argued in the same serious way as other cases?—Yes, you must please understand that.

557. And they are argued on certain particulars that are agreed upon, are they not—

Lord Davey.] That is true, and of course there is an opening. I believe the gentleman we had the other day, Mr. Hawke, thinks that the particulars in the *Kempton Park* case might have been supplemented to that observation; but as far as the argument goes, I can speak as to the *Kempton Park* case, because I was one of the Lords who were sitting, and as far as that case was concerned I never heard a case better argued; it was argued by Mr. Asquith against the *Kempton Park* view, and I forget the counsel on the other side; but Mr. Asquith, at any rate, was senior against it.

Lord Bishop of *Hereford*.] I am bound to confess that there does seem to be a little defect in the matter perhaps; it cannot be exactly the same thing if two people agree to present particulars and if two people who have quarrelled present all possible particulars.

Witness.] Of course, it is open to this, my Lord—that the decision obtained under those circumstances is no indemnity unless you have framed your facts and particulars in such a way that nobody else could come afterwards to controvert them and present the case on another footing. In the *Kempton Park* case everything our opponents had ever said against us was put out there and admitted.

Lord Davey.

558. Mr. Stutfield, you must not assume that because, for instance, that is a very illustrative defect of that mode of obtaining decisions, because there the particulars were altered at each stage?—Oh, no, forgive me, my Lord.

559. The particulars in the Court of Appeal, according to my recollection, were not the same as those before the original judge, and they were certainly altered in the House of Lords?—Let me say not altered.

560. Supplemented?—There was a certain statement there absolutely true—

561. Well, an explanation was furnished which gave it a different effect from that which it had been assumed to have in the Court of Appeal?—I think not, Lord Davey; there was simply an explanation. I think the particulars were really the same from beginning to end, and absolutely indisputable, I say.

Lord Bishop of *Hereford*.

562. In connection with this question of friendly actions may I ask was not that case, *Stoddart and the Argus Printing Company*, another of those friendly actions?—It was friendly in that sense; I said to Lord Aberdeen a short time ago, and I think I am right in saying, the *Argus Printing Company* raised the point themselves first under advice; they discontinued the publication for a time, and Mr. Stoddart brought the action.

563. It was brought forward in a perfectly friendly spirit as between the two?—But again argued on the other side with everything that could have been said.

564. There was something said, was there not, in court to the effect that it was of the nature of a sham

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Mr. STUTFIELD.

[Continued.]

Lord Bishop of *Hereford*—continued.

a sham action?—I think Mr. Hawke instructed counsel to get up and suggest that it was; but the judges after hearing this gentleman put the case off for an amendment of the pleadings; on the first hearing the pleadings were not thought as full as they might be, and it was suggested that the pleadings should be amended. The court said after hearing counsel, "We will reserve to ourselves the right to say, we will not give judgment at all if we find that this is a sham action." When the case came on again nothing further was said about it; the judges were apparently satisfied that it was a perfectly *bonâ fide* way of bringing the legal issue before the courts. I did not quite catch what the result of it was: was it that the advertisements in question were decided to be legal or illegal?—That they were legal—not an infringement of the Betting Houses Act.

565. Might I ask one further question with regard to licensed premises. Did I understand quite clearly that the carrying on of betting on licensed premises so long as no one in the position of an occupier makes a bank, so to speak, is now considered legal?—Yes, since the Kempton Park case.

566. In consequence of the Kempton Park case?—Yes, I think that will be admitted.

567. And the same applies to athletic grounds?—Yes.

568. I should like just to ask your view. We had it suggested to us the other day that it would probably greatly diminish street betting if imprisonment were made part of the punishment as well as fine; the fines are said to be of no value, and hardly a deterrent in many cases, because the profits are so large. Have you any opinion upon that?—I presume the severer the deterrent the more likely is it to have effect.

Lord Davey.

569. And is there no imprisonment in default of payment? I suppose it is immaterial if the fine is always paid?—The fine is always paid; I think in the Municipal Corporations Act there is an alternative.

Lord Bishop of *Hereford*.

570. The point of my question is that the fine is a mere bagatelle in the face of those very large profits. Payment of bets in public houses is legal?—Certainly that has been decided; that you may go there and pay bets.

Lord Davey.

571. Is that because it is not within the Betting Houses Act?—It is not within the Betting Houses Act at all. That was decided by the same judges as decided the case of *Hawke v. Dunn*.

572. The present Lord Brampton?—The present Lord Brampton, Mr. Justice Wills, and Mr. Justice Cave, and Mr. Justice Kennedy.

Lord Bishop of *Hereford*.

573. So that public-houses after the Kempton Park decision, with the freedom to pay bets in public-houses, practically become betting exchanges?—They may; I think it would be

Lord Bishop of *Hereford*—continued.

rather an exaggeration to say that they are; I do not say it does not take place, it does.

Lord Davey.] There are many publicans who would not allow it, I am quite sure.

Lord Bishop of *Hereford*.

574. But there must be many public-houses in which an enormous number of bets are paid?—Yes.

575. And in which a good deal of betting goes on since the Kempton Park decision?—I have not any details as to that at all.

576. Might I ask one question further, and it is this: Is there not a certain class of transactions on the Stock Exchange which are practically betting transactions?—No.

577. In connection with the Stock Exchange, I have been looking at your interesting book here, and that led me to ask the question?—On the Stock Exchange no, emphatically.

578. In connection with it?—In what are popularly known as bucket shops there is a very considerable amount of gambling.

Lord Davey.

579. What is the title of your book?—"The law relating to betting."

Lord Bishop of *Hereford*.

580. What is a bucket shop?—As to what the origin of the term is there is some doubt; I can give one suggested origin; it is an office kept by a person or a company for the purpose of buying and selling stocks and shares from and to its customers, but I should say in a very large number of cases they run the stocks against their customers; they do not profess to act as brokers or anything of that kind; they do not profess to go and do transactions for you on the Stock Exchange; they tell you in their printed conditions they are practically principals.

581. Is there any transfer of stock?—In a large number of cases none whatever.

582. No *bonâ fide* intention to transfer the stock very often?—The figures in some cases I have seen, and I have seen a great many of them, are so large that it absolutely precludes the possibility of any such transactions being completed except by the payment of differences on one side or the other.

583. These are called transactions in differences and options?—Not options.

584. Options are different?—They are not wagers at all; it is a system of gambling; but it is not in the nature of wagers a bit; options are common on the Stock Exchange, but in the most of these transactions—

585. Is there any power to compel transfer of the actual shares that are nominally dealt in?—Yes, I think so; I think most conditions contain a clause that if a customer ever wants to deliver if he has sold, or to take delivery if he has bought, he can have it on giving notice.

586. But with regard to these differences that are dealt with in bucket shops, is there any power to compel transfer?—If you pay differences transfer is out of the question.

587. You say the amount of shares dealt with in some of these bucket shops is so enormous that there

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Mr. STUTFIELD.

[Continued.]

Lord Bishop of Hereford—continued.

there cannot be a *bonâ fide* intention of transferring them?—Yes.

588. Is there any legal power to compel a transfer?—Yes, under the conditions under which they mostly deal there is a clause that if you sell and want to deliver, and receive the purchase money, you can do so on giving notice; if you have bought and want to take them up, and pay for them you can also do so on giving notice. If you do that, it becomes a legal contract of purchase and sale, and that can be enforced.

589. Do these persons who resort to the bucket shop go through all that process?—No, I think it will be admitted in point of fact—

590. Then the bucket shop is equivalent to a betting house?—Certainly.

591. Are these people outside the Betting Houses Act?—Not so long as you bet with people not resorting to your house, and a great deal is done by correspondence.

Lord Davey.

592. It would come within the second clause of the section?—No, because that only refers to receiving money on promise to pay on horse races or other pastimes.

Lord Bishop of Hereford.

593. These transactions go on to a great extent in bucket shops still?—Yes, to a large extent.

594. And yet somehow or other the Betting Houses Act is evaded?—I have never known a case where the Betting Houses Act has been attempted to be applied to a bucket shop.

595. And yet essentially the transactions there are betting transactions?—They are, although largely carried on by correspondence, and then you do not conduct the betting with resorters, under the Betting Houses Act.

596. So that anyone can carry on a correspondence office anywhere for betting purposes still?—Except it be in respect of horse racing or other games, if you deposit money; that is as the law stands now subject to any possible overruling.

597. Do you not think that state of things must tempt many persons to an immense amount of mischievous betting?—I should say I think the bucket shops have offered a certain amount of temptation; they are also carried on in such very large figures that that rather differentiates the case of dealing in stocks and shares from horse racing; so much betting on horse racing is done in such very small amounts, but it is not so in the bucket shops.

598. You would say that the bucket shop is practically quite as mischievous as the correspondence betting office?—I say more so: it is in very large amounts.

Viscount Peel.

599. Am I right in supposing that if I own or am a proprietor in any way, like Mr. Hills was of some athletic grounds at Canning Town, and I see a person betting, I am at liberty to remove that man, only subject to an action for breach of contract for the 1s. which he may have paid on entrance?—Yes, I think that is the true view of the law.

600. Do I understand you to take objection to the alteration of the word "resorting" in the Act of 1874 by making it apply to something else than mere physical resorting? I think you said it would be going too far?—In my own view I think it would; I think the Betting Houses Act, which has been in many cases a salutary Act, was intended to stop houses where anybody could pass by and go in and put on their money, collecting very often a crowd of disorderly people.

601. And you think physical resorting had better stand?—That is my own view.

Earl of Harewood.

602. Allusion was made just now to the powers of the County Council to pass bye-laws. I want to know what your opinion is. Supposing a County Council determines to exercise their powers to the utmost, do you think it possible for such a County Council to suppress the book-making trade altogether, and therefore to stop betting without having recourse to further Parliamentary legislation?—Only betting in streets and public places.

603. Public-houses?—Not public-houses; I do not think they have power to make bye-laws to extend to public-houses. Practically I should say confined to streets.

Lord Davey.

604. Streets and roads?—Yes.

Viscount Peel.

605. Magistrates would look after the betting in the public-houses; they would refuse the man's licence?—I suppose they would; I am not very sure about that.

Earl of Harewood.

606. Do you not think they could go much farther in that direction than they have already done?—No, I think the last bye-law which was legalised under the decision which the Lord Bishop of Hereford referred to, *Thomas v. Sutters*, shows that they have gone to the full extent of their power; if that were really enforced it would absolutely suppress all street betting whatsoever. I do not think it would be possible to go any further.

Ordered,—That the Committee be adjourned.



R E P O R T
FROM THE
SELECT COMMITTEE OF THE HOUSE OF
LORDS
ON
B E T T I N G ;
TOGETHER WITH THE
PROCEEDINGS OF THE COMMITTEE
AND
MINUTES OF EVIDENCE.

Session 1901.

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R E P O R T

FROM THE

STANDING COMMITTEE

ON

LAW, AND COURTS OF JUSTICE, AND
LEGAL PROCEDURE,

ON THE

BURGH SEWERAGE, DRAINAGE, AND WATER SUPPLY
(SCOTLAND) BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

*Ordered, by The House of Commons, to be Printed,
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1901.

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1901.

STANDING COMMITTEE ON LAW, AND COURTS OF JUSTICE,
AND LEGAL PROCEDURE.

[Friday, 8th March 1901]:—Mr. Halsey further reported from the Committee of Selection; That they had nominated the following Members to serve on the Standing Committee for the consideration of all Bills relating to Law, and Courts of Justice, and Legal Procedure which may, by Order of the House, be committed to such Standing Committee:—

Committee nominated of—

The Lord Advocata.
Mr. Asquith.
Mr. Atherley-Jones.
Mr. Atkinson.
Mr. Barlow.
Mr. Bartley.
Mr. Beach.
Mr. Butcher.
Mr. Carew.
Lord Hugh Cecil.
Mr. Clancy.
Mr. Coghill.
Mr. Cripps.
Sir Savile Crossley.
Mr. Bromley-Davenport.
Sir Charles Dilke.
Mr. Dillon.
Mr. Tatton Egerton.
Mr. Arthur Elliot.
Mr. Samuel Evans.
Mr. Faber.
Sir George Fardell.
Mr. Flynn.
Mr. Vicary Gibbs.
Sir Frederick Godson.
Mr. Goulding.
Mr. Graham.
Mr. H. D. Greene.
Mr. Haldane.
Mr. Harwood.
Mr. T. M. Healy.
Mr. James Heath.
Mr. Helder.
Mr. Hemphill.

Mr. Henry Hobhouse.
Mr. Jacoby.
Mr. Brynmor Jones.
Mr. Jordan.
Mr. Lees Knowles.
Mr. W. F. Lawrence.
Sir Joseph Leese.
Mr. Loder.
Mr. A. K. Loyd.
Mr. Lyttelton.
Dr. Macnamara.
Mr. MacNeill.
Sir Henry Meysey-Thompson.
Colonel Milward.
Mr. Arthur Morton.
Mr. Lloyd Morgan.
Captain Norton.
Sir Francis Powell.
Colonel Pryce-Jones.
Sir Robert Reid.
Mr. Rentoul.
Mr. Secretary Ritchie.
Mr. Bryn Roberts.
Mr. Parker Smith.
Mr. Soames.
Mr. Solicitor General.
Mr. Ernest Spencer.
Mr. Stevenson.
Sir Benjamin Stone.
Mr. Ure.
Sir Howard Vincent.
Mr. Robert Wallace.
Mr. Warr.
Sir James Woodhouse.

[Friday, 26th April 1901]:—Ordered, That all Standing Committees have leave to print, and circulate with the Votes, the Minutes of their Proceedings, and any amended Clauses of Bills committed to them.—(Lord Edmond Fitzmaurice.)

[*Thursday, 1st August 1901*]:—Burgh Sewerage, Drainage, and Water Supply (Scotland) Bill,—read a second time, and committed to the Standing Committee on Law, &c.

[*Friday, 2nd August 1901*]:—Selection (Standing Committees).—Mr. Halsey reported from the Committee; That they had added to the Standing Committee on Law, and Courts of Justice, and Legal Procedure, the following Fifteen Members in respect of the Burgh Sewerage, Drainage, and Water Supply (Scotland) Bill:—Mr. Anstruther, Mr. Asher, Mr. Black, Mr. Boland, Mr. George Brown, Mr. Caldwell, Mr. Cochrane, Mr. Colville, Mr. Alexander Cross, Mr. T. R. Dewar, Mr. J. D. Hope, Mr. Law, Mr. Renshaw, Mr. Shaw-Stewart, and Mr. Solicitor General for Scotland.

Standing Committees (Chairmen's Panel).—Sir James Fergusson reported from the Chairmen's Panel; That they had appointed Sir James Fergusson to act as Chairman of the Standing Committee for the consideration of Bills relating to Law, and Courts of Justice, and Legal Procedure, in the place of Lord Edmond Fitzmaurice.

REPORT.

THE STANDING COMMITTEE ON LAW, AND COURTS OF JUSTICE, AND LEGAL PROCEDURE, to whom the BURGH SEWERAGE, DRAINAGE, and WATER SUPPLY (SCOTLAND) BILL was referred;—HAVE gone through the Bill, and made Amendments thereunto.

6 August 1901.

STANDING COMMITTEE ON LAW, AND COURTS OF JUSTICE, AND LEGAL PROCEDURE.

Tuesday, 6th August 1901.

MEMBERS PRESENT :

Sir JAMES FERGUSSON in the Chair.

The Lord Advocate.
Mr. Anstruther.
Mr. Bartley.
Mr. Black.
Mr. Caldwell.
Mr. Colville.
Sir Savile Crossley.
Mr. Dillon.
Mr. Goulding.
Mr. James Heath.
Mr. Jordan.
Mr. Law.
Mr. W. F. Lawrence.

Mr. Lloyd-Morgan.
Mr. Loder.
Mr. Lyttelton.
Mr. Arthur Morton.
Sir Francis Powell.
Mr. Rentoul.
Mr. Parker Smith.
Mr. Solicitor General.
Mr. Solicitor General for Scotland.
Sir Benjamin Stone.
Mr. Ure.
Mr. Robert Wallace.

Clause 1 :

An Amendment made.

Another Amendment proposed, in page 1, line 6, to leave out the words "as the local authority"—(*The Lord Advocate*).—Question, That the words proposed to be left out stand part of the Clause,—put, and *negatived*.

Another Amendment proposed, in page 1, line 7, to leave out the words "Public Health"—(*The Lord Advocate*).—Question, That the words proposed to be left out stand part of the Clause,—put, and *negatived*.

Clause, as amended, *agreed to*.

Clause 2 :

Amendment proposed, in page 2, line 25, after the word "Scotland," to add the words: "Provided also that it shall not be lawful to impose any rate in respect of the expenditure within any special or separate drainage district upon any premises without such district"—(*Mr. Caldwell*).—Question, That those words be there added,—put, and *agreed to*.

Clause, as amended, *agreed to*.

Clause 3 :

Amendment proposed, in page 2, line 35, after the word "provisions," to insert the words "relating thereto"—(*Mr. Caldwell*).—Question, That those words be there inserted,—put, and *agreed to*.

Clause, as amended, *agreed to*.

Clause 4 :

Amendment proposed, in page 2, line 38, to leave out all the words from the word "sixty-one" to the word "substituted," both inclusive, in line 40, in order to insert the words: "'Thirty-six of the principal Act' shall be read as if the sewer assessment hereinbefore mentioned were substituted for the sewer rates therein mentioned"—(*The Lord Advocate*)—instead thereof.—Question, That the words proposed to be left out stand part of the Clause,—put, and *negatived*.

Question, That those words be there inserted,—put, and *agreed to*.

Another Amendment proposed, in page 3, line 4, after the word "substituted," to insert the words: "Section three hundred and forty-seven of the principal Act shall be read as though the words 'burgh general assessment so far as it is applicable to water,' the words 'water assessment,' were substituted"—(*The Lord Advocate*).—Question, That the words be there inserted,—put, and *agreed to*.

Clause,

Clause, as amended, *agreed to*.

Clause 5 :

Amendment proposed, in page 3, line 12, after the word "Acts," to insert the words: "The powers and duties of the town council of any burgh as the authority under the principal Act, with reference to sewerage and drainage, or water supply, shall extend to the whole area of the burgh as existing for the purposes of the Public Health (Scotland) Act, 1897, and"—(*The Lord Advocate*)—Question, That those words be there inserted,—put, and *agreed to*.

Another Amendment proposed, in page 3, line 16, after the word "supply," to insert the words "within such area"—(*The Lord Advocate*)—Question, That those words be there inserted,—put, and *agreed to*.

Other Amendments made.

Clause, as amended, *agreed to*.

Clause 6 :

Amendment proposed, in page 3, line 39, after the word "herein" to add the words: "(2) Section two hundred and sixty-one of the principal Act shall be read and have effect as if for the words 'for other purposes,' the words 'for these purposes,' were substituted"—(*The Lord Advocate*)—Question, That those words be there added,—put, and *agreed to*.

Clause, as amended, *agreed to*.

Clause 7 :

Another Amendment proposed, in page 4, line 2, to leave out the words "does not include," in order to insert the words "Part I. of this Act shall not apply (1) to"—(*The Lord Advocate*)—instead thereof.—Question, That the words proposed to be left out stand part of the Clause,—put, and *negatived*.

Question, That those words be there inserted,—put, and *agreed to*.

An Amendment made.

Another Amendment proposed, in page 4, line 3, after the word "apply," to add these words: "(2) To any burgh in which at the passing of this Act a local Act (including an Act confirming a Provisional Order) is in force with respect to sewerage, drainage, or water supply. Provided that it shall be in the power of the town council of any burgh to which Part I. of this Act does not apply from its commencement by resolution to adopt Part I. of this Act, and from and after the date specified in such resolution Part I. of this Act shall come into force in the burgh, and the Acts specified in the Schedule to this Act shall in so far as the same apply to such burgh be deemed to be repealed to the extent mentioned in the third column thereof, and all portions of local Acts (including as aforesaid) which relate exclusively to such burgh and are inconsistent with or deal with the same matters as Part I. of this Act shall also be repealed, which portions shall be specified in the resolution. Every such resolution shall be forthwith communicated to the Secretary for Scotland"—(*The Lord Advocate*)—Question, That those words be there added,—put, and *agreed to*.

Clause, as amended, *agreed to*.

Clause 8 :

Amendment proposed, in page 4, line 5, to leave out all the words from the word "column" to the word "repealed" in line 6, both inclusive, in order to insert the words "in so far as the same apply to burghs to which this Act applies from its commencement"—(*The Lord Advocate*)—instead thereof.—Question, That the words proposed to be left out stand part of the Clause,—put, and *negatived*.

Question, That those words be there inserted,—put, and *agreed to*.

Clause, as amended, *agreed to*.

Clause 9, *agreed to*.

Schedule :

An Amendment made.

Another Amendment proposed, in page 5, line 7, to leave out all the words from the word "Section" to the word "inclusive" in line 8, both inclusive—(*The Lord Advocate*)—Question, That the word proposed to be left out stand part of the Schedule,—put, and *negatived*.

Another Amendment proposed, in page 5, line 11, to leave out the word "inclusive"—(*Mr. Caldwell*)—Question, That the word "inclusive" stand part of the Schedule,—put, and *negatived*.

Another Amendment made.

Another Amendment proposed, in page 5, line 15, to leave out all the words from the word "Section" to the word "inclusive" in line 18, both inclusive,—(*The Lord Advocate*).—Question, That the words proposed to be left out stand part of the Schedule, —put, and *negatived*.

Other Amendments made.

Another Amendment proposed, in page 5, line 20, to leave out all the words from the words "one hundred and thirty-nine" to the word "applicable" in line 23, both inclusive—(*The Lord Advocate*).—Question, That the words proposed to be left out stand part of the Schedule,—put, and *negatived*.

Schedule, as amended, *agreed to*.

Ordered, to Report the Bill, as amended, to the House.

R E P O R T

FROM THE

STANDING COMMITTEE

ON

LAW, AND COURTS OF JUSTICE, AND LEGAL
PROCEDURE,

ON THE

BURGH SEWERAGE, DRAINAGE, AND
WATER SUPPLY (SCOTLAND) BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

*Ordered, by The House of Commons, to be Printed,
6 August 1901.*

[*Price 1½d.*]

R E P O R T

FROM THE

JOINT SELECT COMMITTEE OF THE HOUSE OF LORDS AND
THE HOUSE OF COMMONS,

ON

Charitable Agencies for Relief of Widows and Orphans of Soldiers and Sailors.

Session 1901.

*Ordered, by The House of Commons, to be Printed,
26 July 1901.*

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R. PONSONBY, 116, GRAFTON STREET, DUBLIN.

1901.

R E P O R T.

THE SELECT COMMITTEE appointed to join with a COMMITTEE of the HOUSE of LORDS “to consider the various CHARITABLE AGENCIES “now in operation, and the funds available for relieving WIDOWS and “ORPHANS of SOLDIERS and SAILORS with a view to insuring that the “funds subscribed by local and private benevolence are applied to the “best advantage in supplementing a scheme of GOVERNMENT PENSIONS “for WIDOWS and ORPHANS of SOLDIERS and SAILORS who have lost “their lives in WAR.”

HAVE met and have examined many Witnesses, and have agreed to the following REPORT, viz. :—

At the commencement of the present war the State made no provision for the payment of pensions to the widows and orphans of soldiers in the ranks killed in action, or dying of wounds or disease contracted on active service; whereas in the case of sailors and marines killed or drowned on service the State has long ago recognised its obligations to pension their widows and orphans, and a sum, averaging yearly about 5,000*l.*, has for some 20 years been paid out of the funds of Greenwich Hospital. To such general funds of the Hospital a yearly sum of 21,000*l.* is contributed by the State.

Q. 142.

Q. 266.

Q. 147.

In 1854, at the outbreak of the Crimean War, “The Royal Patriotic Fund Commission” was called into existence for the purpose of administering any sums that might be subscribed to assist the widows and orphans of soldiers and sailors killed in action or dying on active service. The original powers conferred on the Commissioners referred only to the widows and orphans and other dependents of soldiers and sailors killed or dying of wounds or disease during the Crimean War.

7 Oct. 1854.

Q. 413.

Since the constitution of the Patriotic Commission, Parliament, by the passing of various Statutes, has shown its approval of the principle of voluntary assistance.

In 1866 a Statute was passed giving power to the Crown to authorise the Commissioners to apply the Patriotic Fund and its income as they might think fit for the relief—first, of the widows and children of soldiers, sailors, and marines killed in battle, or dying from wounds, or by other casualties in the war with Russia; and secondly, “In the education, training, and advancement of children of soldiers, seamen, and marines of Her Majesty’s Army and Navy who have lost or hereafter lose their lives in battle, or from wounds, or by other casualties in any other war.”

29 & 30 Vict.

c. 120.

By this Statute power was also given to the Commissioners to contribute to any Royal or other institution established for similar purposes.

In 1867 a Statute further extended the powers of the Commissioners by enabling them to expend any balance of funds that may have been applicable to the purposes mentioned in the Act of 1866 to the maintenance, education, training and advancement of children of soldiers, sailors and marines who had lost or might thereafter lose their lives in the service of the Crown.

30 & 31 Vict.

c. 98.

44 & 45 Vict.
c. 46.

Again, in 1881, power was given to the Crown to confer by commission power on the Patriotic Fund Commissioners to apply the Patriotic Fund and all other funds then in their possession and of which they might hereafter become possessed and the income and accumulations thereof (so far as not appropriated for the Royal Victoria Patriotic Asylum for Girls, and for the purposes mentioned in the schedule to the Patriotic Fund Act, 1867, and so far as not required to meet liabilities and claims existing prior to the date of such commission) for the benefit of the widows and children of officers and men of Her Majesty's Military and Naval Forces.

49 & 50 Vict.
c. 30.

By a Statute passed in 1886 the Commissioners were empowered to apply to the public and to collect funds for the purpose of applying them for the benefit of the widows and children of the officers and men of Her Majesty's Military and Naval Forces.

62 & 63 Vict.
c. 45.

And this power was in 1899 extended so as to allow "other dependents" to receive the advantage of the funds previously applicable to widows and orphans.

To carry into effect these statutory powers, commissions were at different times issued by the Crown.

Q. 423.

Appendix A.

Appendix B.

As a result of voluntary efforts at the time of the commencement of the South African War the Trustees of the Royal Patriotic Fund held large sums in their hands. A statement of these funds is to be found in the document handed in by Colonel Young, which is set out as an Appendix to this Report. The Committee, although they received very valuable evidence from Mr. Higham, the President of the Institute of Actuaries, as to the present value of the different funds in the hands of the Royal Patriotic Fund Commissioners, were unable to pursue the subject to the extent of determining the exact amount of the surplus which, after meeting all liabilities attaching to such funds, will come into existence.

In addition to the funds above referred to, the Royal Patriotic Fund Commissioners hold a very valuable property, consisting of a large building and 40 acres of land at Clapham. This building is devoted to the purposes of an orphanage, capable of receiving 300 girls, daughters of soldiers and sailors killed in action, and the land is let for agricultural purposes. This land and other eleven acres were purchased in the year 1854, under the advice of the late Prince Consort, for 3,000*l*. But in consequence of the growth of London and of the proximity of the land to the now existing Clapham Junction Railway Station, the value of the estate has undoubtedly very largely increased, and therefore consideration may well be given to the desirability of realising the full value of this land and obtaining at a less cost suitable accommodation for the orphanage in a different locality.

It is presumed that the existing trusts, denominational or otherwise, affecting the various funds will be respected. But if the amount necessary to fulfil these trusts be ascertained and held in hand there seems no reason why the surplus should not be applied, if it be thought fit, to providing pensions for the widows and orphans of soldiers and sailors who have lost their lives in war.

Such being the funds vested in and administered by the Royal Patriotic Fund Commissioners, the Committee have considered whether it is advisable in the public interests that the funds should continue to be so held and administered.

Q. 597.

The Committee desire to express their recognition of the care and ability with which the Royal Patriotic Commissioners have discharged the onerous duties entrusted to them. It is also desirable to bear in mind the unselfish views expressed by His Royal Highness the Duke of Cambridge in the following letter, dated, "8th February 1900. Dear Mr. Balfour,—The duration of the war and the increasing list of casualties in South Africa make it evident that a vigorous effort must be made to provide for those who suffered in the service of the nation. I understand that His Majesty's Government will submit to Parliament on it reassembling a scheme of State

pensions for the widows and children of soldiers and sailors who have lost their lives on active service, and that it will be a feature of the proposal that the pensions so granted will be supplemented by the united efforts of private benevolence. This is a new departure, and Parliament will doubtless require to be assured that the administration of the public and private funds, which have been raised or will be raised for the relief of disabled soldiers and sailors or for pensions to widows and children, is organised on principles which will prevent overlapping and secure efficiency. I need not say to you how heartily the Patriotic Fund Commissioners will concur in proposals directed to this end, but I am afraid that the movement for bringing existing funds into correspondence and co-ordination has not progressed sufficiently to enable you to give a decisive answer to the questions which will be put. The Patriotic Fund Commissioners venture to hope that His Majesty's Government may themselves take up the question, and in that event I desire to say how anxious we are to co-operate with and assist you, and I can assure you that no question of our charter will stand in the way of measures which the Government may think desirable.—Yours sincerely, (signed) GEORGE."

With the opinion expressed by Mr. Balfour in his reply to the above letter dated 10th February 1900, that "the Country owes a great debt of gratitude to those who have administered the Patriotic Fund," the Committee fully agree.

At the same time the Committee feel that the publication of the Report of the Commission presided over by Lord Justice Henn Collins must have weakened the position and authority of the Patriotic Fund Commissioners as an Administrative Body.

After full consideration, the Committee have arrived at the conclusion that the discharge of the duties of the Royal Patriotic Fund Commissioners and the funds vested in them should be transferred to the Pension Boards hereinafter suggested. The maintenance of the Commission, as at present constituted, and its continued exercise of the duties discharged by it would be inconsistent with the creation of the system now recommended by the Committee.

It now becomes necessary to review the state of affairs that has to be dealt with in the immediate future.

The Government have announced the intention of granting pensions on the following scale :—

	RANK.		Widow's Pension.	Scale for each Child.	
	Army.	Navy			
Class I. -	Quartermaster-Sergeant.	—	s. d. 10 -	s. d. 2 -	Q. 3. Q. 2428-2439 Q. 2446.
Class II.	Colour Sergeant -	Chief Petty Officer, Colour and Staff Sergeant of Marines and Marine Artillery.	9 -	2 -	
Class III.	Sergeant - -	First Class Petty Officer, Sergeant of Marines and Marine Artillery.	7 6	2 -	
Class IV.	Corporal - -	Second Class Petty Officer, Corporal of Marines and Marine Artillery.	6 -	1 6	
Class V.	Private - -	Able Seaman, Private of Marines and Marine Artillery.	5 -	1 6	

From the evidence before them the Committee have arrived at the conclusion that the sums allotted under it will not sufficiently meet many of the cases that have to be dealt with, and there certainly will be numerous cases in respect of which supplemental assistance will have to be obtained from private sources.

Apart from the Patriotic Fund Commission there was, at the commencement of the War in South Africa, no general body which afforded relief to the widows and orphans of soldiers killed in action or dying when engaged on active service.

But as soon as the War broke out, the public took steps to make provision for those widows and orphans, and also for the families of our soldiers engaged on active service.

The Lord Mayor of London initiated a subscription of a national character.

In the large cities, and throughout the counties of the United Kingdom, committees were formed for collecting subscriptions to carry out these objects. Large sums of money were collected: some of this money was remitted to the Lord Mayor, some retained by the local committees for distribution. Different newspapers opened subscription lists in their columns, and thus collected very large sums of money.

Q. 472.
Q. 473.

The Patriotic Fund Commissioners made an appeal through the Lord Mayor, in response to which 437,800*l.* was received and handed over to the Commissioners.

At the time of taking the evidence large sums had been applied by the Commissioners in the relief of 2,960 widows, 3,900 children, and 1,900 "other dependents"; all these cases arising out of the South African War.

Q. 499.

The rate of relief given was :—

						<i>s.</i>	<i>d.</i>	
To widows of privates	-	-	-	-	-	5	0	per week.
To children	"	-	-	-	-	1	6	"
To widows of corporals	-	-	-	-	-	5	6	"
To children	"	-	-	-	-	1	6	"
To widows of sergeants	-	-	-	-	-	6	0	"
To children	"	-	-	-	-	2	0	"
To widows of colour-sergeants and ranks above	-	-	-	-	-	6	6	"
To children	"	"	"	"	-	2	0	"

Q. 1743.

The "Daily Telegraph" and "Scotsman" Fund amounted to upwards of 250,000*l.*, of which 182,125*l.* has been expended on the purchase of permanent annuities payable to 659 widows, the rates varying from 8*s.* to 4*s.* per week. The balance of the fund has mainly been applied to granting temporary relief to widows, and rendering assistance to children. These pensions are mainly paid by Government annuities, and are irrevocable.

It is apparent that in respect to the future the proposed grant of Government pensions will raise questions deserving full consideration.

Under the Government scheme the grant to the widow is not a matter of discretion. She will be entitled to demand it substantially as a right. So a widow totally destitute and one who is in receipt of a pension from a private source or has private means of support will receive the same amount of pension from the Government.

It is not for the Committee to suggest any alteration in the Government proposals, and it will be difficult where from other sources permanent pensions have already been granted to recommend that they should be withdrawn in consequence of the Government pensions being granted. But doubtless in the future those who make provision for these widows and orphans will fully recognise the existence of the Government pension and content themselves merely with supplementary grants.

The Committee desire to express a strong opinion that notwithstanding the granting by the Government of pensions on the above scale, the necessity of rendering assistance by voluntary effort will still continue. By such agency much has to be accomplished: (1) Government pensions will have to be substantially supplemented in amount. (2) Immediate relief before the pension comes into operation has to be afforded. (3) Widows married off the strength and children born of such marriages will have to be provided for. (4) Widows and children of Colonial soldiers, in the cases of those Colonies which do not grant pensions, will have to be assisted, and (5) in addition, although this subject is not within the reference to this Committee, "other dependents" will have to be dealt with.

In administering the funds applicable to pensions to the widows and orphans in question the Committee are of opinion that each pension and any addition to it should be paid in one sum at the same time and by the same hand.

To effect this result the Committee recommend that two Boards, to be termed respectively the Naval and Military Pension Board, shall be established.

The duties of such Boards shall be (1) to administer the Government pensions; (2) to supplement such Government pensions by administering the funds now vested in the Royal Patriotic Fund Commissioners, which should, subject to the necessary conditions, be transferred to the Boards; and (3) to administer any other moneys which may be placed at their disposal for the purpose of being expended in pensions to widows and orphans.

The Committee also recommend that all the funds and property now vested in the Royal Patriotic Fund Commissioners, should be vested in the Boards and administered by them according to the trusts attaching to such funds. The funds to be thus vested may be apportioned to either Board according to the nature of the trusts now affecting such funds.

The Boards should also hold themselves out as being willing to receive from any source any contributions for the purpose of granting pensions or assistance to the widows and orphans of soldiers and sailors, and should undertake to distribute all such sums when received. It should also be the duty of the Board to make all necessary inquiries in respect of the granting of supplementary or other pensions.

The Committee recommend that each Board should consist of seven Members. As the primary object of the existence of the Boards will be the payment of pensions derived from funds voted by Parliament, the Committee think that two members of each Board should be officers of the Department whose duty it would be to administer the Government Funds. The other members of the Boards should be appointed by the Crown, as distinguished from the heads of other Departments, and should be unpaid. The Crown should also have power on occasion to add to the permanent members of the Board special members, such as the Lord Mayor of London or any other person whose services for the time being might be deemed to be of importance.

The distribution of the Government pensions being the principal duty of the Boards, the expense of the secretarial and necessary staff for carrying out the work might well be borne by the State.

It is also desirable that the Boards should be subject to the control of Parliament. Reports of their proceedings should be made to both Houses of Parliament, and as the payment of the officers of the Board would have to be voted by the House of Commons, an opportunity for discussing such proceedings would be found.

The Boards should also be ready at all times to afford any advice that may be sought by any collecting body or by any local body or agency distributing the funds at its disposal.

26 July 1901.

LORDS AND MEMBERS PRESENT, AND MINUTES OF PROCEEDINGS
AT EACH SITTING OF THE COMMITTEE.

Thursday, 2nd May 1901.

PRESENT :

Marquess of Bath.
Earl of Dartmouth.
Earl of Malmesbury.
Earl of Westmeath.
Viscount Hampden.
Lord Newton.
Lord James of Hereford.

Mr. Bartley.
Mr. Hayes Fisher.
Mr. Kearley.
Mr. Archdale.
Colonel Nolan.

Lord JAMES OF HEREFORD was called to the Chair.

The Committee deliberated.

[Adjourned till Tuesday next, at Eleven o'clock.

Tuesday, 7th May 1901.

PRESENT :

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Dartmouth.
Earl of Malmesbury.
Earl of Westmeath.
Viscount Hampden.
Lord Newton.

Mr. Hayes Fisher.
Mr. Kearley.
Mr. Bartley.
Mr. Archdale.
Mr. Lambert.
Mr. Hozier.

Mr. *Kearley*, a Member of the Committee, Mr. *G. T. Lambert*, C.B., and Mr. *F. T. Marzials* were examined.

[Adjourned till Friday next, at Eleven o'clock.

Friday, 10th May 1901.

PRESENT :

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Dartmouth.
Earl of Malmesbury.
Earl of Westmeath.

Mr. Hayes Fisher.
Mr. Kearley.
Mr. Bartley.
Mr. Archdale.
Mr. Lambert.
Mr. Hozier.

Mr. *G. T. Lambert*, C.B., was further examined.

Colonel *J. S. Young* was examined.

[Adjourned till Tuesday next, at Eleven o'clock.

Tuesday, 14th May 1901.

PRESENT:

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Dartmouth.
Earl of Malmesbury.
Earl of Westmeath.
Lord Newton.
Viscount Hampden.

Mr. Hayes Fisher.
Mr. Hozier.
Mr. Kearley.
Mr. Bartley.
Mr. Archdale.

Colonel *J. S. Young* and Mr. *F. T. Marzials* were further examined.

[Adjourned till Friday next, at Eleven o'clock.]

Friday, 17th May 1901.

PRESENT:

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Westmeath.
Earl of Dartmouth.
Lord Newton.

Mr. Lambert.
Mr. Kearley.
Mr. Bartley.
Mr. Archdale.
Mr. Hozier.
Mr. Hayes Fisher.

In the absence of the CHAIRMAN, the Earl of DARTMOUTH took the Chair.

Sir *Edward Lawson*, Bart., Admiral Sir *William Dowell*, G.C.B., and Mr. *Walter Sheean* were examined.

[Adjourned till Friday, 7th June, at Eleven o'clock.]

Friday, 7th June 1901.

PRESENT:

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Dartmouth.
Earl of Malmesbury.
Viscount Hampden.

Mr. Hayes Fisher.
Mr. Kearley.
Mr. Archdale.
Mr. Hozier.
Mr. Lambert.

Major-General *Salis-Schwabe*, Colonel *J. S. Young*, and Colonel *Gildea*, C.V.O., C.B., were examined.

[Adjourned till Tuesday next, at Eleven o'clock.]

Tuesday, 11th June 1901.

PRESENT :

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Dartmouth.
Earl of Malmesbury.
Earl of Westmeath.

Mr. Kearley.
Mr. Archdale.
Mr. Hayes Fisher
Colonel Nolan.
Mr. Hozier.
Mr. Lambert.

Mr. *Stephen Spring-Rice*, C.B., was examined.

Colonel *Gildea*, C.V.O., C.B., and Colonel *J. S. Young* were further examined.

[Adjourned till Tuesday, 25th June, at Eleven o'clock.

Tuesday, 25th June 1901.

PRESENT :

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Dartmouth.
Earl of Malmesbury.
Earl of Westmeath.
Lord Newton.

Mr. Hayes Fisher.
Mr. Hozier.
Mr. Archdale.
Mr. Lambert.
Mr. Bartley.
Colonel Nolan.
Mr. Kearley.

Sir *Alfred Newton*, Bart., and Colonel *J. S. Young*, were examined.

[Adjourned till Tuesday, 9th July, at Eleven o'clock.

Tuesday, 9th July 1901.

PRESENT :

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Dartmouth.
Earl of Westmeath.
Earl of Malmesbury.
Viscount Hampden.

Mr. Hayes Fisher.
Mr. Kearley.
Mr. Bartley.
Mr. Lambert.
Mr. Hozier.
Colonel Nolan.

Mr. *C. D. Higham* was examined.

Colonel *J. S. Young* was further examined.

[Adjourned till Tuesday next, at Eleven o'clock.

Tuesday, 16th July 1901.

PRESENT :

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Dartmouth.
Earl of Malmesbury.
Earl of Westmeath.
Viscount Hampden.

Mr. Hayes Fisher.
Mr. Kearley.
Mr. Lambert.
Colonel Nolan.
Mr. Hozier.

The Committee deliberated.

[Adjourned till Friday, July 26th, at Two o'clock.

Friday, 26th July 1901.

PRESENT :

Lord JAMES OF HEREFORD in the Chair.

Marquess of Bath.
Earl of Westmeath.
Viscount Hampden.

Mr. Kearley.
Mr. Bartley.
Colonel Nolan.
Mr. Lambert.
Mr. Hozier.

DRAFT REPORT proposed by the *Chairman*, read the first time as follows:—

"1. At the commencement of the present war the State made no provision for the payment of Q. 142 pensions to the widows and orphans of soldiers in the ranks killed in action, or dying of wounds or Q. 266 disease contracted on active service.

"2. Whereas in the case of sailors and marines killed or drowned on service, the State has long ago recognised its obligations to pension their widows and orphans, a sum, averaging yearly about 5,000*l.*, has for some 20 years been paid out of the funds of Greenwich Hospital. To such general Q. 147 funds of the Hospital a yearly sum of 21,000*l.* is contributed by the State.

"3. But in 1854, at the time of the Crimean War, it being found that a large sum of money 7 Oct. 1854. had been subscribed to assist the widows and orphans of soldiers and sailors killed in action or Q. 413. dying on active service, 'The Royal Patriotic Fund Commission' was called into existence. The original powers conferred on the Commissioners referred only to the widows and orphans and other dependents of soldiers and sailors killed or dying of wounds or disease during the Crimean War.

"4. Since the constitution of the Patriotic Commission, Parliament, by the passing of various Statutes, has shown its approval of the principle of voluntary assistance.

"5. In 1866 a Statute was passed giving power to the Crown to authorise the Commissioners 29 & 30 Vict. to apply the Patriotic Fund and its income as they might think fit for the relief—first, of the c. 120. widows and children of soldiers, sailors, and marines killed in battle, or dying from wounds, or by other casualties in the war with Russia; and secondly, 'In the education, training, and advancement of children of soldiers, seamen, and marines of Her Majesty's Army and Navy who have lost or hereafter lose their lives in battle, or from wounds, or by other casualties in any other war.'

"6. By this Statute power was also given to the Commissioners to contribute to any Royal or other institution established for similar purposes.

"7. In 1867 a Statute further extended the powers of the Commissioners by enabling them to 30 & 31 Vict. expend any balance of funds that may have been applicable to the purposes mentioned in the Act c. 98 of 1866 to the maintenance, education, training and advancement of children of soldiers, sailors and marines who had lost or might thereafter lose their lives in the service of the Crown.

"8. Again, in 1881, power was given to the Crown to confer by commission power on the 44 & 45 Vict. Patriotic Fund Commissioners to apply the Patriotic Fund, and all other Funds then in their c. 46. possession, or of which they might hereafter become possessed, and the income and accumulations

thereof (so far as not appropriated for the Royal Victoria Patriotic Asylum for Girls, and for the purposes mentioned in the schedule to the Patriotic Fund Act, 1867, and so far as not required to meet liabilities and claims existing prior to the date of such commission) for the benefit of the widows and children of officers and men of Her Majesty's Military and Naval Forces.

49 & 50 Vict.
c. 30.

"9. By a Statute passed in 1886 the Commissioners were empowered to apply to the public and to collect funds for the purpose of applying them for the benefit of the widows and children of the officers and men of Her Majesty's Military and Naval Forces.

62 & 63 Vict.
c. 45.

"10. And this power was in 1899 extended so as to allow 'other dependents' to receive the advantage of the funds previously applicable to widows and orphans.

"11. To carry into effect these statutory powers, commissions were at different times issued by the Crown.

Q. 423.

"12. As a result of voluntary efforts at the time of the commencement of the South African War the Trustees of the Royal Patriotic Fund held large sums in their hands. A statement of these funds is to be found in the document handed in by Colonel Young, which is set out as an Appendix to this Report. The Committee, although they received very valuable evidence from Mr. Higham, the President of the Institute of Actuaries, as to the present value of the different funds in the hands of the Royal Patriotic Fund Commissioners, were unable to pursue the subject to the extent of determining the exact amount of the surplus which, after meeting all liabilities attaching to such funds, will come into existence.

"13. In addition to the funds above referred to, the Royal Patriotic Fund Commissioners hold a very valuable property, consisting of a large building and 40 acres of land at Clapham. This building is devoted to the purposes of an orphanage, capable of receiving 300 girls, daughters of soldiers and sailors killed in action, and the land is let for agricultural purposes. This land and other eleven acres were purchased in the year 1854, under the advice of the late Prince Consort, for 3,000*l*. But in consequence of the growth of London, and of the proximity of the land to the now existing Clapham Junction Railway Station, the value of the estate has undoubtedly very largely increased, and therefore consideration may well be given to the desirability of realising the full value of this land, and obtaining at a less cost suitable accommodation for the orphanage in a different locality.

"14. It is presumed that the existing trusts, denominational or otherwise, affecting the various funds will be respected. But if the amount necessary to fulfil these trusts be ascertained and held in hand, there seems no reason why the surplus should not be applied, if it be thought fit, to providing pensions for the widows and orphans of soldiers and sailors who have lost their lives in war.

"15. Such being the funds vested in and administered by the Royal Patriotic Fund Commissioners, the Committee have considered whether it is advisable in the public interests that the funds should continue to be so held and administered.

"16. The Committee desire to express their recognition of the care and ability with which the Royal Patriotic Commissioners have discharged the onerous duties entrusted to them. It is also desirable to bear in mind the unselfish views expressed by His Royal Highness the Duke of Cambridge in the following letter, dated, '8th February 1900, Dear Mr. Balfour—The duration of the war and the increasing list of casualties in South Africa make it evident that a vigorous effort must be made to provide for those who suffered in the service of the nation. I understand that His Majesty's Government will submit to Parliament on it reassembling a scheme of State pensions for the widows and children of soldiers and sailors who have lost their lives on active service, and that it will be a feature of the proposal that the pensions so granted will be supplemented by the united efforts of private benevolence. This is a new departure, and Parliament will doubtless require to be assured that the administration of the public and private funds, which have been raised or will be raised for the relief of disabled soldiers and sailors or for pensions to widows and children, is organised on principles which will prevent overlapping and secure efficiency. I need not say to you how heartily the Patriotic Fund Commissioners will concur in proposals directed to this end, but I am afraid that the movement for bringing existing funds into correspondence and co-ordination has not progressed sufficiently to enable you to give a decisive answer to the questions which will be put. The Patriotic Fund Commissioners venture to hope that His Majesty's Government may themselves take up the question, and in that event I desire to say how anxious we are to co-operate with and assist you, and I can assure you that no question of our charter will stand in the way of measures which the Government may think desirable.—Yours sincerely, (signed) GEORGE.'

"With the opinion expressed by Mr. Balfour in his reply to the above letter dated 10th February 1900, that 'the Country owes a great debt of gratitude to those who have administered the Patriotic Fund,' the Committee fully agree.

"17. At the same time the Committee feel that the publication of the Report of the Commission presided over by Lord Justice Henn Collins must have weakened the position and authority of the Patriotic Fund Commissioners as an Administrative Body.

"18. After full consideration, the Committee have arrived at the conclusion that the discharge of the duties of the Royal Patriotic Fund Commissioners and the funds vested in them should be transferred to the Pension Boards hereinafter suggested. The maintenance of the Commission, as at present constituted, and its continued exercise of the duties discharged by it would be inconsistent with the creation of the system now recommended by the Committee.

"19. It now becomes necessary to review the state of affairs that has to be dealt with in the immediate future.

"20. The Government have announced the intention of granting pensions on the following scale:—

	RANK.		Widow's Pension.	Scale for each Child.	
	Army.	Navy.			
Class I. - -	Quartermaster-Sergeant	—	s. d. 10 -	s. d. 2 -	Q. 3. Q. 2428-2439. Q. 2446.
Class II. - -	Colour Sergeant - -	Chief Petty Officer, Colour and Staff Sergeant of Marines and Marine Artillery.	9 -	2 -	
Class III. -	Sergeant - - -	First Class Petty Officer, Sergeant of Marines and Marine Artillery.	7 6	2 -	
Class IV. -	Corporal - - -	Second Class Petty Officer, Corporal of Marines and Marine Artillery.	6 -	1 6	
Class V. - -	Private - - -	Able Seaman, Private of Marines and Marine Artillery.	5 -	1 6	

"21. From the evidence before them the Committee have arrived at the conclusion that the sums allotted under it will not sufficiently meet many of the cases that have to be dealt with, and there certainly will be numerous cases in respect of which supplemental assistance will have to be obtained from private sources.

"22. Apart from the Patriotic Fund Commission there was, at the commencement of the War in South Africa, no general body which afforded relief to the widows and orphans of soldiers killed in action or dying when engaged on active service.

"23. But as soon as the War broke out, the public took steps to make provision for those widows and orphans, and also for the families of our soldiers engaged on active service.

"24. The Lord Mayor of London initiated a subscription of a national character.

"25. In the large cities, and throughout the counties of the United Kingdom, committees were formed for collecting subscriptions to carry out these objects. Large sums of money were collected: some of this money was remitted to the Lord Mayor, some retained by the local committees for distribution. Different newspapers opened subscription lists in their columns, and thus collected very large sums of money.

"26. The Patriotic Fund Commissioners made an appeal through the Lord Mayor, in response to which 437,800*l.* was received and handed over to the Commissioners. Q. 472.
Q. 473.

"27. At the time of taking the evidence large sums had been applied by the Commissioners in the relief of 2,960 widows, 3,900 children, and 1,900 'other dependents'; all these cases arising out of the South African War.

"The rate of relief given was:—

Q. 499.

	s.	d.
To widows of privates - - - - -	5	0 per week.
To children " - - - - -	1	6 "
To widows of corporals - - - - -	5	6 "
To children " - - - - -	1	6 "
To widows of sergeants - - - - -	6	0 "
To children " - - - - -	2	0 "
To widows of colour-sergeants and ranks above - - - - -	6	6 "
To children " " " " - - - - -	2	0 "

"28. The 'Daily Telegraph' and 'Scotsman' Fund amounted to upwards of 250,000*l.*, of which 182,125*l.* has been expended on the purchase of permanent annuities payable to 659 widows, the rates varying from 8*s.* to 4*s.* per week. The balance of the fund has mainly been applied to granting temporary relief to widows, and rendering assistance to children. These pensions are mainly paid by Government annuities, and are irrevocable. Q. 1743

" 29. It is apparent that in respect to the future the proposed grant of Government pensions will raise questions deserving full consideration.

" 30. Under the Government scheme the grant to the widow is not a matter of discretion. She will be entitled to demand it substantially as a right. So a widow totally destitute and one who is in receipt of a pension from the 'Daily Telegraph' or Patriotic Fund or has private means of support will receive the same amount of pension from the Government.

" 31. It is not for the Committee to suggest any alteration in the Government proposals, and it will be difficult where from other sources permanent pensions have already been granted to recommend that they should be withdrawn in consequence of the Government pensions being granted. But doubtless in the future those who make provision for these widows and orphans will fully recognise the existence of the Government pension and content themselves merely with supplementary grants.

" 32. The Committee desire to express a strong opinion that notwithstanding the granting by the Government of pensions on the above scale, the necessity of rendering assistance by voluntary effort will still continue. By such agency much has to be accomplished: (1) Government pensions will have to be substantially supplemented in amount. (2) Immediate relief before the pension comes into operation has to be afforded. (3) Widows married off the strength and children born of such marriages will have to be provided for. (4) Widows and children of Colonial soldiers in the cases of those Colonies which do not grant pensions will have to be assisted, and (5) in addition, although this subject is not within the reference to this Committee, 'other dependents' will have to be dealt with.

" 33. In administering the funds applicable to pensions to the widows and orphans in question the Committee are of opinion that each pension and any addition to it should be paid in one sum at the same time and by the same hand.

" 34. To effect this result the Committee recommend that two Boards, to be termed respectively the Naval and Military Pension Board, shall be established.

" 35. The duties of such Boards shall be (1) to administer the Government pensions; (2) to supplement such Government pensions by administering the funds now vested in the Royal Patriotic Fund Commissioners, which should, subject to the necessary conditions, be transferred to the Boards; and (3) to administer any other moneys which may be placed at their disposal for the purpose of being expended in pensions to widows and orphans.

" 36. The Committee also recommend that all the Funds and property now vested in the Royal Patriotic Fund Commissioners should be vested in the Boards and administered by them according to the trusts attaching to such funds. The funds to be vested may be apportioned to either Board according to the nature of the trusts now affecting such funds.

" 37. The Boards should also hold themselves out as being willing to receive from any source any contributions for the purpose of granting pensions or assistance to the widows and orphans of soldiers and sailors, and should undertake to distribute all such sums when received. It should also be the duty of the Board to make all necessary inquiries in respect of the granting of supplementary or other pensions.

" 38. The Committee recommend that each Board should consist of seven Members. As the primary object of the existence of the Boards will be the payment of pensions derived from funds voted by Parliament, the Committee think that two members of each Board should be officers of the Department whose duty it would be to administer the Government Funds. The other members of the Boards should be appointed by the Crown, as distinguished from the heads of other Departments, and should be unpaid. The Crown should also have power on occasion to add to the permanent members of the Board special members, such as the Lord Mayor of London or any other person whose services for the time being might be deemed to be of importance.

" 39. The distribution of the Government pensions being the principal duty of the Boards, the expense of the secretarial and necessary staff for carrying out the work might well be borne by the State.

" 40. It is also desirable that the Boards should be subject to the control of Parliament. Reports of their proceedings should be made to both Houses of Parliament, and as the payment of the officers of the Board would have to be voted by the House of Commons, an opportunity for discussing such proceedings would be found.

" 41. The Boards should also be ready at all times to afford any advice that may be sought by any collecting body or by any local body or agency distributing the funds at its disposal."

Question, That this Report be read a second time paragraph by paragraph--put, and *agreed to*.

Paragraphs 1 and 2, *agreed to*.

Paragraph 3 amended, and *agreed to*.

Paragraphs 4—12, *agreed to*.

Paragraph 13:

Amendment proposed, in line 9, after the word "orphanage," to insert the words "if it be found desirable to continue it"—(Mr. *Kearley*).—Question put, That those words be there inserted.—The Committee divided:

Contents, 3.

Mr. *Kearley*.
Mr. *Lambert*.
Mr. *Bartley*.

Not Contents, 7.

Lord *James*.
Marquess of *Bath*.
Earl of *Westmeath*.
Mr. *Hayes Fisher*.
Viscount *Hampden*.
Colonel *Nolan*.
Mr. *Hozier*.

Paragraph *agreed to*.

Paragraphs 14—29, *agreed to*.

Paragraph 30, amended, and *agreed to*.

Paragraphs 31 and 32, *agreed to*.

Paragraph 33:

Question put, That the paragraph stand part of the Report.—The Committee divided:

Contents, 8.

Lord *James*.
Earl of *Westmeath*.
Mr. *Hayes Fisher*.
Viscount *Hampden*.
Mr. *Hozier*.
Mr. *Bartley*.
Mr. *Kearley*.
Mr. *Lambert*.

Not Contents, 2.

Colonel *Nolan*.
Marquess of *Bath*.

Paragraph 34, *agreed to*.

Paragraph 35:

Amendment proposed, in line 1, to leave out the words: To administer the Government pensions"—(Colonel *Nolan*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Contents, 9.

Lord *James*.
Marquess of *Bath*.
Earl of *Westmeath*.
Mr. *Hayes Fisher*.
Viscount *Hampden*.
Mr. *Hozier*.
Mr. *Bartley*.
Mr. *Kearley*.
Mr. *Lambert*.

Not Content, 1.

Colonel *Nolan*.

Paragraph, *agreed to*.

Paragraphs 36 and 37, *agreed to*.

Paragraph 38:

Amendment proposed in line 1 to leave out all the words from the word "As" to the word "Funds" in line 4, both inclusive—(Colonel *Nolan*).—Question, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Contents, 9.

Lord *James*.
Marquess of *Bath*.
Earl of *Westmeath*.
Mr. *Hayes Fisher*.
Viscount *Hampden*.
Mr. *Kearley*.
Mr. *Lambert*.
Mr. *Hozier*.
Mr. *Bartley*.

Not Content, 1.

Colonel *Nolan*.

Paragraph, *agreed to*.

Paragraph 39 :

Amendment proposed, in line 1 to leave out all the words from the beginning of the paragraph to the word "Boards," inclusive—(Colonel *Nolan*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided :

Contents, 9.

Lord James.
Marquess of Bath.
Earl of Westmeath.
Mr. Hayes Fisher.
Viscount Hampden.
Mr. Kearley.
Mr. Lambert.
Mr. Hozier.
Mr. Bartley.

Not Content, 1.

Colonel Nolan.

Paragraph *agreed to*.

Paragraphs 40 and 41 *agreed to*.

Question, That this Report as amended be the Report of the Committee to their respective Houses,—put, and *agreed to*.

Ordered, to Report, with Minutes of Evidence and an Appendix.

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Die Martis, 7^o Maii 1901.

MEMBERS PRESENT:

Marquess of BATH.
Earl of DARTMOUTH.
Earl of MALMESBURY.
Earl of WESTMEATH.
Viscount HAMPDEN.
Lord NEWTON.
Lord JAMES.

Mr. ARCHDALE.
Mr. BARTLEY.
Mr. HOZIER.
Mr. HAYES FISHER.
Mr. KEARLEY.
Mr. LAMBERT.

THE RIGHT HONOURABLE THE LORD JAMES OF HEREFORD IN THE CHAIR

MR. HUDSON E. KEARLEY (a Member of the Committee), is Examined, as follows:

Chairman.

1. You are a Member of the House of Commons for Devonport and a Member of this Committee?—Yes.

2. On the 14th of March did you in your place in the House of Commons put the following question to Mr. Brodrick, the Secretary of State for War "whether he can now state the particulars of the pensions proposed to be given to the widows and orphans of those who have lost their lives in the South African campaign"?—I did.

3. And was this Mr. Brodrick's answer: "The actual conditions on which grants will be given are not quite settled; but I may inform the Honourable Member that so far as the Government are concerned the rates of pension and compassionate allowance to widows and children of non-commissioned officers and men, killed in action or dying of wounds, or disease contracted in active service will be as follows:—Five classes are given: First, quartermaster-sergeant—widows 10s., each child 2s.; colour-sergeant—widows 9s., each child 2s.; sergeant—widows

Chairman—continued.

7s. 6d., each child 2s.; corporal—widows 6s., each child 1s. 6d.; privates—widows 5s., and each child 1s. 6d." That, I believe, was Mr. Brodrick's answer?—That was his reply.

4. Of course from the nature of the answer that refers only to the Army and not to the Navy?—That is so.

5. That is to be dealt with by other evidence?—Yes.

6. And so far as you know it is stated that the grants are not quite settled, but those are the intended rates; no further statement has been made to alter this intention so far as you know?—No, except that in a subsequent debate it was stated by Mr. Brodrick that the pensions would commence to be paid as from the 1st of July next ensuing.

7. With regard to the rating, the amounts have not been altered?—No, there has been no alteration as far as I am aware.

The Witness is directed to withdraw.

MR. GEORGE THOMAS LAMBERT, C.B., is called in; and Examined, as follows:

Mr. Hayes Fisher.

8. You are Director of Greenwich Hospital and head of the pension system?—For widows and orphans.

9. For widows and orphans only?—Only. I should like to mention that it is my duty to provide the funds for the pensions to the men also, but I do not actually award them.

10. You do not consider the applications for pensions or supervise the investigation of claims for pensions for the men during their lifetime?—No.

11. All applications for Government pensions to widows and orphans of sailors come under your investigation and control?—Yes.

(0.21.)

Mr. Hayes Fisher—continued.

12. And you represent the Admiralty in that matter?—In that matter, yes.

13. I should like, Lord James, to leave that portion of the subject at present and continue it later, and to obtain from this witness now the information which he acquired as Honorary Secretary of the Centra' Council. Then I think it will be in better sequence to go back to the Greenwich Hospital Pensions later on. [*To the Witness.*] You have been lately acting as Honorary Secretary to the Central Council for the Organisation of the War Relief Funds?—I am a member of the Council, and the Council asked me to act as Honorary Secretary, and I have done so.

A 2

14. Will

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Mr. LAMBERT, C.B.

[Continued.]

Mr. Hayes Fisher—continued.

14. Will you tell us the origin and composition of that Council?—The origin of the Council is in the Conference which the King, then Prince of Wales, called together at the beginning of last year at Marlborough House. That Conference recommended that a Central Council should be established for the organisation of all war relief funds throughout the country. In accordance with this recommendation a Conference was called together at the Mansion House in July, at which the Central Council was elected, and that Council is now in existence. I have a paper here which shows the whole history of the origin of the Central Council. [*The paper was handed in.*]

15. Who was the Chairman?—Lord Derby.

Chairman.] That is a very influential Committee, containing many gentlemen connected with the Army.

Mr. Hayes Fisher.

16. It consisted of several members of the Royal Family?—The Marlborough House Conference, certainly.

17. Of representatives of nearly all the relief societies for soldiers and sailors?—Yes.

18. Of the War Office?—Yes.

19. And of leading public men?—Yes.

20. Will you tell us who the actual working committee consisted of; how many were there on it?—The Marlborough House Working Committee is given in the paper.

21. Was the work mainly done by the sub-committee?—No, it was done by the Prince of Wales's Committee.

22. But even that consisted, I think, of a very large number?—A large number.

23. A large number of influential gentlemen?—Yes.

24. How many meetings did you hold?—Three or four I think; each one is given in that paper.

25. You investigated, I believe, all the Relief Funds, not only those which are applicable to the relief of widows and orphans, but all the relief funds applicable to soldiers and sailors, wounded or discharged, or invalided, and so on?—That investigation was made not by the Prince of Wales's Committee, but by the Council which has since been formed. I have got a schedule here which contains the report of 323 war relief funds.

26. Was that the Council that arose out of the Prince of Wales's Committee?—Yes.

27. How many did that Council consist of?—About eighty, I think, was the number.

28. I suppose that broke up into working committees?—They appointed an executive committee, and that executive committee appointed a sub-committee for certain purposes.

29. Who was the chairman of the executive committee?—Lord Derby.

30. And did you act as honorary secretary to that executive committee?—Yes.

31. And in your capacity as honorary secretary to that committee you must have acquired a vast amount of information as to the various relief funds?—It is all given in the schedule which is printed.

32. Could we obtain from that schedule information on the funds which were intended to provide for widows and orphans?—The informa-

Mr. Hayes Fisher—continued.

tion in the schedule is made up to December last, and every fund throughout the country that the Council could hear of was applied to for particulars. We applied to over 700, and we have had returns from 323, and the returns are very full.

33. You are aware that the sole object of this Committee is to investigate those funds which are applicable to the relief of widows and orphans only?—Yes.

34. And we have no interest in any of the other funds?—This schedule contains all the War Relief Funds, whether for men, or for widows, or for children.

35. But in order to digest that information, can you give us some guidance as to those funds which are applicable to the relief of widows and orphans only, and which are still in existence?—I can only give information of the state of the funds in December.

36. That would do very well?—I think it would be possible to get out approximately at least the amount of funds then available for widows and orphans.

37. Then I should like to ask you to give us in your own way an accurate account of any funds that are still in existence, and that would be available to supplement Government pensions to widows and orphans of soldiers and sailors? Was the Patriotic Fund not within the purview of your inquiry?—It was. The Patriotic Fund had a large sum allotted to it by the Lord Mayor.

38. I should prefer you to deal with the other funds before you touch the Patriotic Fund; the Patriotic Fund practically is far the largest fund of any that would be available to supplement any pensions given by the Government; is that not so?—Yes. I may say, however, that the Council have only got returns from the Patriotic Fund so far as these war relief funds recently raised are concerned.

39. So far as the addition made by the Mansion House to the Patriotic Fund is concerned?—And funds sent direct to the Patriotic Fund from other sources as well.

40. Now, will you please take the other funds in order: about how many are there applicable solely for the assistance of widows and orphans?—I should have to get them; I have not got them separately.

41. Can you take them out of your list as you go through?—Only with some difficulty; it is so very voluminous.

Chairman.] I think if Mr. Fisher has no objection, you might do that before our next meeting, and hand in a list in writing of all the societies which have funds at their disposal for the benefit of widows and orphans, and the amounts.

Mr. Hayes Fisher.

42. Did you, in the course of your examination of each of those funds, come to any conclusion as to the amount that was still available at the time, say, of your report or the time of your sittings, for the relief of widows and orphans?—Not for the widows and orphans separately.

43. Are there some funds available for orphans and not for widows, and *vice-versâ*?—The various local bodies distributed their funds according to their discretion, and they have stated in this schedule, I think, the particulars as to how they have distributed their funds, to what persons.

and

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[Continued.]

Mr. Hayes Fisher—continued.

and, therefore, I could get out a return showing how much was given to widows and orphans; but I have not got that return in that form. I have the totals here.

44. If we gave you a little time you would be able to obtain and put in and put on record a list of all the funds which have been raised for the benefit of widows and orphans, and which are available to supplement Government pensions, and their amounts—that is to say, the amounts still in existence?—The amounts in existence in December last, I think, I could get.

45. It would be very valuable if you could do that, and it would be of great assistance to our Committee. Have you the aggregate?—Yes.

46. First of all the number of the funds?—The number of the funds which have given returns to us is 323.

47. Of those 323 how many are applicable to widows and orphans only?—That I propose to find out for you.

48. You cannot tell us to-day?—No.

49. The amount of those funds?—The amount of money raised by those several funds up to December, exclusive of the "Daily Telegraph," from which we have had no return, is 2,597,958l.

50. Again, you are not at present, I presume, capable of separating from that sum the portion that is applicable to widows and orphans?—I am not.

51. But you think you could do that in a few days' time?—I could do so roughly, I think.

52. Of course, some of that portion would be applicable entirely, as the Chairman suggests, according to the discretion of the local people who raised and administered the fund?—Yes.

53. But roughly you could give us, you think, the amount that is still in existence, and is available for the treatment of widows and orphans?—I think so. That is the amount in December last.

54. You mentioned just now the "Daily Telegraph" Fund. That, I believe, was one of the largest funds that was raised?—I think it was a quarter of a million altogether.

55. Did your Council obtain no information as to that?—We applied for information and we have not had it.

56. So that on that you could give us no official information?—No.

57. Have you come to any rough conclusion yourself as to the amount of money available from these funds for widows and orphans?—I have not.

58. Perhaps by the next time you might be able to form some rough estimate with your experience and in your judgment of what would be available?—Yes.

59. Has this Council yet reported?—Yes.

60. Has the Chairman signed the Report?—Yes.

61. When is it to be made public?—It is going out to-day.

62. Would you see any objection to making it public this morning by means of this Committee?—None whatever.

63. You feel you have full authority to do so from the Chairman?—Yes.

64. And that he would raise no objection?—None at all.

65. Then we should be very much indebted to

Mr. Hayes Fisher—continued.

you if you would put in the Report of that Committee. [It was handed to the Chairman.] Was this Report unanimously agreed to?—Yes.

66. Were there many divisions of opinion at first?—No, not many; there was a good deal of discussion.

67. On the whole the conclusions which you have adopted here are the unanimous conclusions of your Council?—That is so.

68. The Report is as follows:—"Central Council for Organisation of War Relief Funds. The Central Council having received and adopted a Report from the Executive Committee based upon a reference made to the Sub-Committee on the 19th October, 1900: 'To draw up questions to be addressed to the various central and local funds for the information of the Committee; to issue the returns in such form as they think fit for circulation among the members of the Committee, and to draw up some scheme on the basis of these returns for the future work of the Committee, to be presented at its next meeting,' make the following report and recommendations. An examination of the returns obtained and reported upon by the Executive Committee shows, as was to be expected, that there is great diversity of practice in dealing with the funds subscribed throughout the country for the relief of persons who have suffered through the War. In some cases, funds collected locally have been transmitted either wholly or in part to the Central Funds in London, in others the Funds are administered through Local Branches of the Soldiers and Sailors' Families Association, or in co-operation with that Association; and, again, funds are distributed by the managers themselves. The facts disclosed point unmistakably to the need of a central advisory body in touch with managers of funds throughout the country, which could deal in a comprehensive manner with the administration of relief. The need of such a body is referred to in the recommendations of the Government Committee of 1900. There is a generally expressed opinion that funds are best raised by local appeals and efforts, supplementing any central appeals or effort that may be made, and best administered by co-operation with local organisations. These views are very strongly expressed in the Returns, and in almost every page will be found confirmatory evidence in the numerous instances in which advantage has been taken of the existence in districts of branches of the Soldiers and Sailors' Families Association to raise and administer funds through the medium of that Association or in close co-operation with it. Much of the inequality of treatment which at present exists rises from the absence of some agreement or understanding as to common standards of relief. The circumstances of each family or individual, as well as the particular districts, have to be taken into account in order to arrive at precise figures, but this is a work that must of necessity be left to the local committees to deal with. It will be convenient to deal with the subject under the three heads of *Temporary Relief*, *Permanent Relief*, and *Administration*. *Temporary Relief*.—The rates at which relief to wives and families have been administered are very varied among the local independent funds, but it is gratifying to note that

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[Continued.]

Mr. Hayes Fisher—continued.

that on the whole the tendency has been towards uniformity of standard. The standard generally adopted has been to endeavour to ensure that the families should not suffer by the absence of the breadwinners. We recommend the general adoption of this standard of relief in the case of wives and families. We also recommend: That all Government allowances should be made in advance, weekly or fortnightly, instead of monthly, and that no help should be given to relatives other than wives and children except upon clear proof of their actual dependence on the sailor or soldier at the time of separation for active service. We further recommend that the following points should be taken into consideration, namely:—1. That allotments made by soldiers on Home Service should be compulsory in the same way as allotments made by men on Foreign Service. 2. That the separation allowance to children should be raised to 3*d.*, instead of 2*d.*, per day. 3. That more satisfactory arrangements should be made by the Government for the payment of soldiers permanently discharged from the service "invalided" between the date of their discharge, and the first payment of their pension. (4) That with the termination of the present war the opportunity should be taken of ascertaining the relative numerical proportion of medical and surgical invalids, further dividing the latter into permanently and partially disabled; thus affording a basis for determining what proportion of the sums, not specially earmarked, that may be received by a central fund should be properly appropriated for funds taking special charge of each description of case. Permanent Relief.—State Pensions.—We have to call attention to the absence of any evidence in the returns of adequate permanent provision being made or contemplated by local independent funds for the widows and orphans and men permanently disabled. It is true that it has been announced in Parliament that proposals are to be made on behalf of the Government for the granting of State pensions to widows and allowances to children of men who lose their lives in warlike operations, but we are strongly of opinion that there is still ample room for liberality on the part of the public, with a view to supplementing such pensions. The terms of the reference (*see footnote*) adopted by Parliament for the appointment of a Joint Committee of both Houses to consider the relation between existing charitable funds and the proposed Government pensions, themselves indicate the place which such charitable funds will still have in supplementing the pensions granted by the State. (The footnote contains the terms of reference to this Joint Committee.) "We recommend that the question should be taken into consideration whether, in the case of widows and orphans, some minimum standard of relief should not be adopted below which no payments, whether made by the State alone, or by the State supplemented by charitable funds, should fall, and for guidance we append a statement of minimum standards of relief which we believe to be reasonable under ordinary circumstances. Standards of relief (minimum):—Widows (during widowhood), 7*s.* per week in ordinary circumstances; children of widows, 2*s.* per week, in

Mr. Hayes Fisher—continued.

ordinary circumstances; total orphans, 4*s.* per week in ordinary circumstances. Those are all inclusive of State pensions and allowances. Note.—These rates are to be understood to refer to ordinary cases only. We desire to state that the standards of relief named by us are at minimum rates, calculated to raise the position of the recipients above that of want, though in certain instances no allowance may be necessary. Administration.—To ensure the administration of war relief funds to the best advantage it is most desirable that the managers of the different funds should work together. The principal central funds in London being represented on the Council, co-operation, so far as they are concerned, may be regarded as already assured. But we are of opinion: That while in the case of such central funds general supervision and control must remain with their governing bodies, the actual administration of relief should in all cases be either entrusted to or carried out in close co-operation with local committees. That the various local funds, *i.e.*, funds locally raised and administered, should be brought into effective connection with the Central Council, whereby the Central Council may be able to secure, among other advantages of co-operation, that the general body of sufferers throughout the country may receive some uniformity of treatment, though not necessarily uniformity of scale, in the administration of relief. That the local representatives of the central funds and the managers of the various local funds should be in close and constant touch with one another in their work. For these reasons we make the following recommendations:—1. That in each county and county borough throughout the country a local committee should be organised for the purpose of uniting by common counsel and information all efforts and agencies within its area for the promotion of the welfare of all those connected with the Navy and Army who are in need of assistance, but that nothing in the foregoing paragraph will prevent counties and county boroughs uniting for this purpose, if they so desire. That so far as Scotland is concerned it is recommended that the local committees should only be established in the counties, and in the cities of Edinburgh, Glasgow, Aberdeen, Perth, and Dundee. That it shall be clearly understood that the local committees shall have no control over the administration of the separate funds. 2. That the local committee should include representatives of funds for the relief of sufferers through war, and for the assistance of all connected with the Navy and Army and those dependent on them in the district, and other representative persons, such as magistrates, members of county councils, resident naval and military officers, and ministers of religion of all denominations. 3. That the local committee should endeavour to keep in touch with all matters concerning the administration of war relief funds and the general welfare of sailors and soldiers and their wives and families within its area by any means which seem to them, having regard to local circumstances, to be most likely to promote the object in view. 4. That each such local committee should send one representative to the Central Council, in order that the latter body may become thoroughly representative and its authority be thereby enhanced. 5. That the

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Central Council should at once address a letter through its Chairman to the Lords Lieutenant of the counties, and the Lord Mayors, Lord Provosts of the cities named in paragraph 1, and Mayors of the county boroughs, requesting them to take the initiative in the formation of the proposed local committees in their respective counties and county boroughs. It would be amongst the functions of the Central Council:

(a) To draw timely attention, on occasions which call for the exercise of public philanthropy on behalf of sailors and soldiers and their dependents, to the financial necessities so arising, and to suggest the measures to be adopted to meet them. (b) To take into consideration any representations made by central funds or the local committees as to the inadequacy of the amounts at their disposal, and to suggest the steps to be taken to meet the deficiency. (c) To recommend standards of relief. (d) To keep itself informed of the financial resources available for the purpose of war relief, and to collect and to communicate to the central funds and the local committees information relating to matters which affect the interests of sailors and soldiers and those dependent on them. Amongst the duties to be expected from the local committees would be:—Collection and general supervision of relief funds in co-operation with the Central Council. As to the mode of payment, we strongly advise that payments, whether of pensions or gratuities, should be made as far as may be practicable through the medium of local organisations. It is possible that, in the case of State pensions, difficulty in this respect may arise, inasmuch as such benefits, being sanctioned by Parliament, are regarded as a right over which voluntary committees cannot exercise control, but in these cases also local organisations may render valuable assistance to the administering departments by investigating claims in the first instance, and by reporting cases of misconduct or fraud, should such occur later on. The Central Council in London would communicate with local committees through their honorary secretaries. It will be seen that our recommendations are based upon the belief that the Central Council and the proposed local committees should continue to supervise generally all matters relating to the assistance of sailors and soldiers and those dependent on them in times of peace as well as of war.—(Signed, Derby, Chairman; G. T. Lambert, Hon. Secretary. The Mansion House, London, E.C. April 2nd, 1901.)”

Chairman.] If the Committee would like to dispose of this document now, they might put any questions they have upon it, and then Mr. Hayes Fisher will take up the examination.

Mr. Kearley.

69. In the main the funds into which you made enquiry dealt with temporary relief, I take it, and not with permanent relief in the shape of pensions to widows and orphans and dependent relatives?—The Council made no distinction in calling for information on that point.

70. No, but as a matter of fact of this 2,517,958*l.*, far and away the largest bulk of it was collected, and has been or is being, distributed in the shape of temporary relief to the wives and families of soldiers who have gone to the war and have not been killed?—That is so.

Mr. Kearley—continued.

71. And then as regards the enquiry you made into the funds controlled by the Royal Patriotic Commissioners, I take it that there again your enquiry only had reference to money subscribed through the Mansion House and other channels for the present war?—That is so.

72. And that the whole of these funds into which you inquired only have application to the present war?—That is so.

Mr. Bartley.

73. You said there were 700 various agencies for funds?—The form of application was sent to over 700 funds, and of those we have had answers from only 323.

74. Did I rightly understand that there are some 300 or 400 funds in existence of which you know nothing?—The inference we drew was that many of these funds had become exhausted already—that the funds had been absorbed, or that they had sent their money to the central funds in London, or otherwise disposed of it, and we did not consider there was much money left in the hands of those who did not respond.

75. But as regards those two millions and a half or more, do you think that those other societies represented a considerable additional sum of money that had been spent or was being spent?—They probably represented a considerable sum of money which had been already disposed of.

76. Of course, you have no means of finding out?—No.

77. That two millions five hundred and ninety-seven thousand pounds is very much under the mark of the sum that has already been raised?—It would be under the mark, no doubt.

78. But you have no means of knowing how much?—No.

Viscount Hampden.

79. Is it intended in this Report that the Local Committees should have the control and distribution of their funds, or that a Central Fund should be created?—The Local Committees would control their own funds.

Chairman.

80. I want some information from you as regards your proposed central body. You speak of your Central Council here. In the first place, how is that Central Council to be formed?—The Central Council was elected by a conference called at the Mansion House, and the persons summoned to that conference were all the Lords Lieutenant of Counties, all the Lord Mayors of cities, and the Mayors of all towns of 10,000 inhabitants and over.

81. When you speak of the Central Council here you are speaking of the *de facto* existing Council?—Yes.

82. That would be a shifting body. I presume you intend this to be a permanent Central Council?—Yes.

83. Not ending with the present war, but to continue?—To continue.

84. I suppose, therefore, some rules would have to be made for filling up vacancies and continuing the existence of the Council?—The Council have power to add to their number.

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[Continued]

Chairman—continued.

The Lords Lieutenant will be permanent, and the Lord Mayors and Mayors of towns will, of course, continue, although changing every year, and there are the new representatives of the Local Committees as recommended in that Report, who will probably make a large addition to the Council.

85. Speaking very roughly, how many under the existing state of things form the Central Council?—The number is about eighty.

86. At any rate, there would be no objection in accordance with this scheme that that Council should be brought into existence under regulations forming a fixed constitution for its existence?—It has a constitution now.

87. Yes, for that particular purpose—at any rate it would have to be properly constituted under fixed conditions if it is to continue as a permanent Council. I did not quite follow; on page 3, under the heading of "Administration," if you will kindly take your Report, you say: "To ensure the administration of War Relief Funds." Do you see that?—Yes.

88. "The principal Central Funds in London being represented on the Council, co-operation so far as they are concerned may be regarded as already assured." Are all the principal funds in London represented on the Council?—Each of the principal funds in London was invited to send a representative, and they have all done so.

89. With the exception of the "Daily Telegraph"; they did not?—That is a newspaper fund; we did not consider that as one of the principal funds, because it was temporary in its nature.

90. Give me the names, if they are few—the Patriotic Fund?—The Patriotic Fund Commissioners, the Soldiers and Sailors' Families Association, Soldiers' and Sailors' Help Society, Lloyds' Patriotic Fund, Greenwich Hospital, Admiralty, War Office, and Chelsea Hospital Commissioners.

91. That will suffice to give us a general idea. If we wanted to refer to the exact composition of this Central Council in order to consider the future, where shall we find the exact composition in print?—It is given in the printed Memorandum, which I now hand in. (*Handing in the same.*)

92. Now, to come to the local bodies, is it your idea that all local bodies should be invited to come into communication, I use that term advisedly, with the central body?—The report recommends that in each county and county borough a local committee should be formed, and that that local committee should be in communication with all the other bodies in the district.

93. What would be formed in a county or county borough?—Of course, you might form a body for a small county, but in the large counties, like Lancashire and Yorkshire, you would have to go to county boroughs?—Yes.

94. What would you form in each of those entities?—A local committee.

95. For what purpose?—For the purpose of overlooking and supervising generally the welfare of soldiers and sailors in their district.

96. Are they to overlook the different local

Chairman—continued.

committees already existing within their areas?—They are to place themselves in communication with those committees, and to work together with them.

97. And then to place themselves in communication with the central body?—Each county committee would have a representative on the central council.

98. This is to be, according to you, a new body, formed for the purposes of communication?—Yes.

99. Did the committee go at all into the manner in which that new body was to be formed, or the number composing it?—They have not gone into the number; they have suggested generally who the members should be.

100. That Committee being formed, would be the medium of communication between the local action for collection and distribution and the central body?—Certainly.

101. What did your Committee, after this full investigation, decide with regard to the powers of the central body? I presume you would not give compulsory powers; you could not?—None whatever.

102. Would they be anything more than advisory powers?—Advisory and consultative only.

103. And you would leave, therefore, considerable freedom of action to the individual relief funds?—Certainly.

104. Did you enter at all into the question of whether you would place any power of control in what we may call the new intermediary body?—No control.

105. Only advice again?—That was well considered.

106. Would you have any representation of these bodies? I think you said that each intermediary body should have representation?—Yes.

107. I suppose you formed no estimate of the number of these intermediary bodies?—No; we have had no experience as yet.

108. That would depend on the future?—Yes.

109. And as to the means of representation, that is a detail each body must deal with for itself?—Yes.

110. Would you suggest that on this Central Council, if a new scheme of State pensions from the Government comes into operation, the Government should be represented?—We have not considered that point.

111. Did you consider at all the question whether there should be a general co-operation between the Government distribution and the relief funds?—That question is dealt with here carefully.

112. I do not express myself quite clearly. I recollect that, but I mean as to the means of bringing what we may call the planning and action into play?—Except that the Admiralty and the War Office have their representatives on the Central Council, and, therefore, would presumably act in concert with them, keeping them informed of whatever the Government was doing as well as the views of the Government.

113. The Central Council numbers 84 now, and with a representative from each intermediary body it would become a very large body. Did you go at all into the question of delegated powers to a smaller number?—The Central Council have appointed an executive council.

114. Who

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[Continued]

Chairman—continued.

114. Who draws up this report in the first instance?—There was a sub-committee, a smaller body still, who drew that up in the first instance.

115. I do not know whether the opinion of your Council was taken upon these matters of action, but the carrying on or machinery would of course be left for future consideration, and to be dealt with as the details arose?—Yes.

Mr. Bartley.

116. May I ask about the audit? Was there any scheme of audit suggested, or were each of these bodies supposed to look after their own? Was there an idea that there should be some general supervision and audit of the accounts?—That was left to themselves; the opinion of the Council was that it would not be desirable to interfere with their local management, that interference would not be acceptable, and therefore the Council abstained from giving advice on that subject.

117. Would not this be a very large machine to produce very small results—mere advice?—It is considered that as the centre of information it would exercise very considerable influence, and would induce bodies to work on uniform principles throughout the country.

118. By moral suasion?—Yes. Four important Committees have advised the formation of such a Consultative Council, viz., Lord Herschell's Committee in 1895; the Select Committee of the House of Commons on the Royal Patriotic Fund in 1896; the Government Committee over which Lord Justice Henn Collins presided last year; and the Marlborough House Committee.

Mr. Kearley.

119. You referred to the evidence that you have collected from the various agencies throughout the country; have you there the replies sent by the various local bodies to your Council?—The replies are abstracted here in brief.

120. Could we have a copy of those replies?—Certainly.

121. Did your Council come to the decision that it was no longer advisable to have one central authority in London appealing, as in the case of the Transvaal war, for example, for funds which are to be paid in to one central organisation, and then transmitted by them throughout the country, or did it rather favour the idea that localities should in the future make their own appeal, subject to the supervision of the various bodies you have referred to administering the funds under local control and with local knowledge?—The Council did not at all intend to prevent appeals by the Lord Mayor to the country generally on occasions of emergency, but they considered that all funds collected should be administered locally, as far as possible, or in close co-operation with the local committees.

122. And not through a central organisation, as at present?—They considered that the more they were dealt with locally the better.

Earl of Dartmouth.

123. There is one question with regard to paragraph 5 on page 4 of your report: have those contemplated letters been sent to the Lords Lieutenant?—They are going out to-day.

(0.21.)

Earl of Dartmouth—continued.

124. And it is suggested, I suppose, that the Lords Lieutenant in their various counties should immediately take in hand the formation of these Committees?—Yes.

Mr. Hayes Fisher.

125. I should like to ask you a question as to the paragraph at the bottom of page 4: "As to the mode of payment, we strongly advise that payments, where the pensions are gratuitous, should be made, as far as may be practicable, through the medium of local organisations." Do I understand that your Council recommended that State pensions should be paid through the medium of local organisations?—It goes on to speak of State pensions in the next sentence.

126. That is to say, you anticipated at once the difficulty with regard to State pensions, the State pension being regarded as a right over which a voluntary committee has no control at all?—Yes.

127. On reflection, do you think it possible that State pensions should be paid through any local committees of any sort or kind whatever?—I do not think it is.

128. May I take it that, so far as pensions are concerned, you were thinking more of supplementary pensions?—Yes.

129. Of the pensions which would be given as a supplement to the State pensions?—That is so.

130. And it is the advice of your Council that those should be paid through the medium of local organisations?—As far as practicable.

131. That is to say, that where you can find a strong local organisation, you would make that strong local organisation the medium of paying that pension?—Yes, pensions from local or voluntary funds.

132. And supposing your Council were to find these strong local organisations already in existence in connection with one or other of the Societies which administer various funds, would you utilise those local organisations which exist now, or would you try to form a new organisation?—We should try to form a new organisation more comprehensive than any existing now. The existing organisations deal with particular classes of persons, some with disabled men, and some with widows and orphans, and the local committees contemplated by the Council are to deal with all persons connected with the Navy and Army.

133. Supposing that local organisation consisted of all the strongest people, those best able to work and with the most intimate acquaintance with this subject, would not you use them?—That question has not been specifically dealt with or considered even by the Council; but they naturally anticipate that these new Committees which are to be formed in each county will include the most competent persons.

134. If there was a very strong local committee already in existence, do not you think it very possible that that Committee might prefer to remain as it was, and not to be set aside by another committee?—The idea of the Council was not to set aside any existing committee, but that existing committees should place themselves in communication with the central local committee—the county local committee or the

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borough local committee—so that all might work in harmony together.

135. But as branches of one central organisation?—Connected together—Yes.

136. The object would be rather to form a new society?—To form a new Committee in each county or county borough.

Earl of Dartmouth.

137. I take it that it was rather the view that in the particular cases, such as have been referred to, where there is an existing strong committee, it would be left to the discretion of the Lord Lieutenant, or whoever the letter was addressed to, whether he should form a new committee or bring in the old committee to work?—Certainly.

Mr. Hayes Fisher.

138. That he might make use of the old committee if he thought it was a strong one, possibly supplementing it and giving it official direction?—Certainly.

Earl of Dartmouth.

139. One other point: I think the basis of the whole question of State pensions, on which the report has been drawn up, is that the State pension will not be sufficient in itself, but will have to be supplemented?—That is the idea.

Mr. Hayes Fisher.

140. You told us when you took your seat that your principal duties at Greenwich Hospital were connected with the investigation of claims for pensions on behalf of sailors' widows and orphans?—I am bound to say that that forms only a very small part of my work. The number of seamen's widows is small.

141. Perhaps I will put it more shortly in this way, that so far as any pensions are given to sailors' widows and orphans, all those pensions are under your investigation and control?—That is so.

142. Would you tell us the amount of money set aside annually for the pensions of widows of seamen and marines killed or drowned on service?—These pensions have been in existence for twenty years, and they have been gradually growing in amount. The actual amount to be expended this year in that way is estimated at 5,300*l*.

143. By "this year" you mean the last financial year?—This present financial year; that is the estimate.

144. You are giving us the estimate?—Yes.

Chairman.

145. None of those men have lost their lives in war?—Some of them have, but most of them by accident.

Mr. Hayes Fisher.

146. From what source is that fund derived?—It comes from the general funds of Greenwich Hospital.

147. Are those funds drawn from the taxes of the country?—There is a contribution of 21,000*l*. a year that comes from the taxes of the country, but the total income of Greenwich Hospital for this year is 199,000*l*.

148. But of that only 5,000*l*. a year, taking that as an average sum, is devoted to pensions to

Mr. Hayes Fisher—continued.

widows and orphans of sailors who lose their lives in the service of the country?—That is the existing sum; it is increasing. A large number of seamen's children are also maintained in schools or homes.

149. Will you explain the system? How are these applications made? Let us say that a sailor has lost his life in the recent Chinese operations. How does the widow make application for a pension?—The case usually comes to me, not from the widow, but from the Medical Director General's Department of the Admiralty. He has returns showing the men who lose their lives on duty. I immediately refer to the Accountant-General to know if he is aware that there is a widow. If there is we apply to her at once, send her forms, and proceed to take steps to pension her. In other cases the widow anticipates that action by writing direct, so that it comes in either of those two ways to me.

150. The answers to those forms are returned to you? Does anybody sit with you to adjudicate on those cases?—I recommend the pension according to the rules, and the case comes before one of the Naval Lords of the Admiralty, who finally awards it.

151. But there is no board such as the Chelsea Board that sits for the awarding of pensions to soldiers—there is no similar Board to that?—No.

152. You are in fact the Board?—Yes.

153. And you recommend or you do not recommend according to your discretion as to whether the person is a fit and proper applicant for a pension?—All the facts connected with the husband's death I report to the Admiralty, and also as to the character of the woman, and all other details.

154. What are the qualifications for a pension?—The woman must be the lawful wife of a man who has lost his life through the service, whether by accident or otherwise. We then enquire as to her character, and if her character is satisfactory, and if she sends her marriage certificate the pension is awarded as a matter of course, according to the scale.

155. What machinery have you at your disposal for making these investigations?—We call upon the woman herself to name a person of position, such as a clergyman, to whom we may refer, and we also very often make enquiries confidentially through the police.

156. Do you find much difficulty in ascertaining the facts?—Very little difficulty.

157. You do not think you are often defrauded?—We have no reason to suppose so.

158. Do you enquire as to her capacity to earn money, so as to supplement any pension you may give?—Yes, we enquire about her circumstances generally.

159. And, having ascertained the circumstances generally, what amount are you able to award to her as pension—within what limits?—There is a scale ranging from 3*s*. 6*d*. to 6*s*. 6*d*. a week, according to the rank of the husband.

160. I should like to clear up this point first of all. Is every widow of every sailor who loses his life in the service of his country entitled to a pension from Greenwich Hospital if she

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Mr. Hayes Fisher—continued.

is of good character, and so far deserving?—That is so.

Mr. Bartley.

161. An absolute right?—I should not use the word "right."

Mr. Hayes Fisher.

162. She would be entitled to a pension?—The proper expression is that she is "eligible" for a pension.

163. The widow of every sailor who loses his life through the service of the country is eligible for a pension, and I presume that you take the circumstances into account?—Yes.

164. If she happened to come into a good deal of money or anything of that kind, you would not give the pension?—No.

165. Now, supposing that she has come into no money, but that she is in a good place—that she has no children, and could go out as a nurse and earn a good salary, would you give a pension in that case?—I have only known of one case where the pension was withheld, and that was the case of a woman receiving 100*l.* a year from a public source; the pension has been suspended so long as she holds that appointment.

166. I think we may take it from you now that the pension is practically never withheld?—Only in the case mentioned.

167. Having given it to her, what do you do in case she marries again?—If she marries again we suspend payment of the pension.

168. You suspend her until when?—If she again becomes a widow the pension is restored.

169. Has she to make application for renewal?—Yes; we should not know of it otherwise.

170. If she does not marry again, but should be living a life which is reported to you as an immoral life, would the pension be suspended?—Certainly; the pensions are tenable during good behaviour.

171. Do you ever suspend them for misbehaviour?—Yes.

172. And that suspension is in your discretion according to the evidence which you obtain?—Yes. In the discretion of the Admiralty.

173. How long have you administered this system personally?—Since 1885.

174. You have had fifteen years' experience of it?—Yes.

175. On the whole would you say that the public are satisfied with it?—I have every reason to think so.

176. Have any complaints, Parliamentary or otherwise, reached you as to the system?—None whatever.

177. Supposing that this Committee should recommend, or that the Government without its recommendation should choose Greenwich as the medium by which they should pay these new State pensions that are to be given for service so far as sailors are concerned, would you see any difficulty in acting as that medium for the administration of those pensions?—None whatever.

178. Supposing they went further, and decided that any funds which were available to supplement those pensions should be placed at your disposal, would you feel any difficulty in supplementing out of any funds that were so available the pensions which you give?—No difficulty.

(0.21.)

Mr. Hayes Fisher—continued.

179. You would say that you have such or can obtain such an intimate knowledge of the variable circumstances of the different widows with whom you have to deal that you could make a legitimate selection of those to whom supplementary pensions ought to be given?—I think so.

180. Is it your opinion that if we should come to the conclusion that all persons, whether State pensions as they exist now or State pensions as they will exist, and all supplementary pensions, should be administered through Greenwich Hospital, that system would probably be a satisfactory one to the public?—I think so.

Chairman.

181. Would you allow me to ask you one question? At present we have had no naval war to any extent, but supposing we had an acute and sustained naval war, your duties, of course, would be very largely increased?—Yes.

182. What machinery would you then have to deal with the widows of sailors who were seeking relief from local funds applicable only to localities? Take the case of widows in Devonshire, for instance, how could you in Greenwich Hospital make enquiries as to a large number of cases there?—As far as I can see now, we should make the enquiries through the new local committees recommended by the Central Council.

183. That would be a fresh organisation compared to what you have now. You would require local assistance for the voluntary bodies, and you would not rely directly on Greenwich Hospital?—We could always get the information through the police.

184. But you would ask the local committee to do it?—If the local committee existed, we should prefer them, no doubt.

Earl of Dartmouth.

185. It has been suggested that in the event of supplementary pensions being paid by Greenwich Hospital, as far as Greenwich Hospital is concerned there would be no difficulty?—I think there would be no difficulty.

186. You consider that the system would be satisfactory to the public; but do you consider that in the event of local contributions being asked for, for these purposes, the response to those appeals would be as large, if the money were administered by Greenwich Hospital, as it would be if administered by the local committee?—I do not think that; my intention was to say that moneys received locally should be employed locally rather than sent to London. I think the evidence obtained by the Council tends that way.

Mr. Archdale.

187. Does a man's halfpay go to his widow until the pension begins?—In the Navy there is a system of allotments which continue for a time after the man's death; they do not cease abruptly.

188. Does the allotment go on until the pension begins?—Practically it does so.

189. Would an ordinary seaman's widow be eligible, if there were such a thing, for a pension?—Certainly, the pensions I have been speaking of are the pensions given to ordinary seamen.

190. I do

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[Continued.]

Mr. Archdale—continued.

190. I do not suppose any ordinary seaman is married?—Yes, a certain number are married. In the Coastguard they are all married.

191. But no ordinary seaman is in the Coastguard?—They are of much the same rank.

192. You said it would be quite easy to supplement the pensions. Have there been any cases of a woman being married to two or three bluejackets, as they have been married to half a dozen soldiers?—We have found occasional cases of immorality.

193. But I mean regularly married to them, as they are married to soldiers sometimes?—There have been cases of more than one woman claiming to be the wife of the deceased seaman.

Mr. Bartley.

194. When these local committees are formed, if you succeed in forming them, will you use them for your pensions?—I should certainly say so.

195. You hope to make use of that machinery for your own naval pensions?—Greenwich Hospital pensions.

196. As regards the numbers, it would be quite impossible to carry on such a system as yours if you had a very large number, such as they are having in the Army?—It would be entirely a matter of more clerical assistance in the office.

197. Do you think the whole machinery could be carried on at one central place for the whole of the United Kingdom?—All the pensions to be awarded from the public funds could.

198. I am speaking of the others as well?—The voluntary funds would be administered locally, no doubt.

199. I understand the Navy spend about 5,000*l.* a year now, and if you give something like 5*s.* or 6*s.* a week it means that you have only 200 or 300 pensioners on your list?—Yes.

200. But if you had as many thousands such a system as you have described to us could not possibly be carried on at one centre, could it?—Certainly.

201. Do you think that would be a satisfactory arrangement?—We should do it precisely as we do it now; the numbers would merely mean some more clerical assistance in the office.

202. Do you think an enormous central machinery like that would be satisfactory, with the one man going through it all?—The number of widows in the Navy would never be enormous.

203. I am talking now of the other branch—the Army; do you think it would not apply there?—No. The State pensions could be administered from a central office; the voluntary pensions had better be dealt with locally.

Mr. Kearley.

204. At the present moment you have, at the Admiralty, the organisation and distribution of pensions outside Greenwich pensions, which are charitable pensions; you have an organisation there through which the whole of the Naval service pensions are paid, have you not?—Yes.

205. The service pensions amount, I believe, to over a million a year?—Yes.

206. Between a million and two millions a year?—Yes.

Mr. Kearley—continued.

207. I may take it you distribute through your organisation at the Admiralty pensions amounting to over two millions a year, including service pensions?—Yes.

208. You have been giving State pensions through the Admiralty for twenty years out of Greenwich Hospital funds?—Yes.

209. And they only amount at an estimate to £5,300 in the year?—Yes.

210. They are largely increasing, because the Navy is largely increasing?—They will increase, no doubt.

211. The bulk of that income, in fact, the whole of that income, comes from Greenwich funds, as they are called?—Yes.

212. Your possessions consist of lands, mines, minerals, and all sorts of things?—And over £4,000,000 of capital invested.

213. You are buying land from time to time?—We do not buy land; we buy ground rents occasionally.

214. That is better still. You are annually increasing the value of your possessions?—Yes.

215. You mentioned that all the funds are Greenwich funds pure and simple, except the contribution made by the Treasury annually?—Yes.

216. That contribution is £21,000 from the Consolidated Fund?—And votes of Parliament.

217. Is there a vote other than the sum granted from the Consolidated Fund, of £16,000 a year?—£16,000 a year is granted in the votes of Parliament, and £4,000 a year comes from the Consolidated Fund. The £16,000 a year was granted on the recommendation of a Committee of the House of Commons in 1892.

218. Yes; but perhaps you will remember that that grant from the Consolidated Fund was paid as the outcome of a recommendation when Greenwich Hospital was closed for in-pensioners?—Yes.

219. And then it was taken away by some Chancellor of the Exchequer in a pressed condition for funds?—Yes.

220. We carried on an agitation in the House of Commons, and got it restored again in 1893?—Yes.

221. That is the history of it, is it not?—I should like the Committee to understand that it is only restored temporarily, that is to say, until the men who entered the service before 1878 have all had their share; after that the £16,000 a year ceases, and therefore the Treasury insist on having it placed on the face of the Estimates every year.

222. The giving of a sum of money from the Consolidated Fund was the outcome of a bargain made with the then in-pensioners of Greenwich Hospital when it was closed in 1869, and the Government undertook to pay them out-pensions as an inducement to get them to go out?—The men resumed the out-pensions they already had on going out from the hospital.

223. Which they were not receiving when inmates of the hospital?—That is so.

224. Practically, that was a bargain between the State and the Greenwich pensioners?—Yes.

225. In arranging these compassionate pensions, the Greenwich pensions, you have really at hand the information necessary to enable you to come to a decision as to the title of any particular widow, and so on?—Certainly.

226. You

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[Continued.]

Mr. Kearley—continued.

226. You have not to establish a system of espionage throughout the country to find out that?—No.

227. The bulk of these widows as wives have been receiving allotments from their husbands on service?—Yes, most of them.

228. So that the very moment a disaster happens or a man loses his life, you have at the Admiralty records in the shape of the allotment papers as to the particular women entitled?—That only tells us there is a widow; that the man has left a widow.

229. But it gives you the most valuable information at once?—It gives us that valuable fact.

230. And you know to whom he has been allotting all his lifetime?—Yes.

Chairman.] And that prevents a false person coming in.

Mr. Kearley.

231. The point I am on is that they have the machinery at the present moment, and that they have not to rely on espionage to ascertain whether this woman is the wife of this man or that man, or what not?—We ask her to send in her marriage certificate in every case.

232. You do not ask for that as long as the man is alive; he is allotting to this particular woman, and the assumption is that she is his wife?—Yes.

233. But finally, when it becomes your liability to pay her a pension, you ask for documentary evidence, so that she may prove that she is his wife?—Yes.

234. You have cases where men allot to their sweethearts and so on?—Yes, we have cases of that kind.

235. And that has nothing whatever to do with you as long as the man is alive and makes the allotment?—That is so.

236. You told us that every widow whose husband loses his life through the service is entitled to a pension?—Is eligible.

237. You have none of those nice distinctions that the Army have as to a woman being entitled because she is married on the strength, and not entitled because she is married off the strength?—We know nothing of that.

238. A man marries in the Navy without leave?—Yes.

239. He has not to ask his commanding officer whether he may marry or not?—No.

240. And consequently every widow becomes entitled to a pension?—Every widow is eligible for a pension.

241. But in the Army it is not so, I understand?—No, I understand not.

242. In the Army, unless the woman has been married with consent, she does not count for a State pension at all?—So I understand.

243. Have you ever had an application made to you to transfer your funds to some other body for administration?—Many years ago, an application or suggestion was made to the Admiralty, but it was not entertained.

244. What was the suggestion? Do you mind telling us?—It did not come through my hands at the time, but I think the Commissioners of the Patriotic Fund made a suggestion of that kind, that they might undertake to administer these funds.

245. That they ought to become the adminis-

Mr. Kearley—continued.

trators of the Greenwich funds?—That is what I believe was the case.

246. And that was not entertained?—It was not entertained.

247. When a disaster occurs—take, for example, the "Victoria" disaster; then there was a fund collected by the Lord Mayor at the Mansion House, which was handed over to the Patriotic Fund Commissioners for administration?—Yes.

248. Had the Patriotic Fund Commissioners to come to you to get the information about these widows?—On that occasion and for that occasion the Admiralty and the Patriotic Fund Commissioners acted together; we told them all we were doing and they told us all they were doing, and so we took common action; we gave them any information they asked for.

249. Did you give them any information they desired as to the persons on board the ship?—Yes.

250. On that occasion I think, if I remember rightly, you had your pensions in full working order within three months of the ship going down?—Something like that; some sooner, and a few later.

251. Would you mind explaining, for the benefit of the Committee, as I think the question is sure to arise later, your system of paying pensions and allotments—and, first of all, your system of paying allotments?—That is done entirely by the Accountant-General, and I had better, perhaps, not attempt to give you that.

252. Are they not paid through the Post Office?—They are paid through the Post Office, but the whole system is one I am not familiar with; it does not come through Greenwich at all.

253. Are your own pensions to those widows paid through the Post Office?—They are paid on Post Office orders; we have a special form arranged with the Post Office, and we pay them monthly.

254. And the woman gets her pension at the local post office?—Yes.

255. During the war, for instance, there have been naval men in receipt of benefits from local committees, and I take it that has not been exclusively confined to Army men?—No.

256. Has there been any communication through these local committees to the Admiralty?—As far as I am aware, there has been none.

Mr. Lambert.

257. The income of Greenwich Hospital is 199,000*l.* a year?—That is the estimated income for this year.

258. To what is it principally devoted—approximately?—It is principally devoted to pensions to old and disabled seamen.

259. Under what category does this 5,000*l.* a year, which you say has been devoted to pensions come?—That is for widows and orphans.

260. And the demand for that fund is increasing?—It is steadily increasing.

261. Have you unlimited funds for that purpose—assuming it increased to 20,000*l.* a year?—We have power to spend capital if we think proper, but a Committee of the House of Commons has strongly advised that the capital should not be touched; it is a permanent endowment.

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[Continued.]

Mr. Lambert—continued.

dowment of the Navy, and, therefore, practically we have only the income of the year to spend.

262. But supposing you had a catastrophe in the Navy, and that pensions were demanded of you to the tune of, say, an increase of 15,000*l.* a year, would you be able to meet it?—We should have to expend capital to meet it.

263. And you are spending practically up to your present income?—Practically; nearly.

264. With regard to the contribution of 21,000*l.* a year from the public funds, for what purpose is that contribution given?—As to the 16,000*l.*, it is earmarked for the age pensions to seamen, and the rest goes into the general funds of Greenwich Hospital.

265. How many pensions devoted to widows and orphans have you now on your list?—The actual number of widows to whom we are paying pensions is 324, and the number of children to whom we are paying allowances is 367.

Lord Newton.

266. Is the 5,000*l.* a year spent solely on widows and orphans?—Yes.

267. No other dependents?—No other dependents.

Mr. Kearley.

268. What are the gratuities to the dependents?—Not exceeding 500*l.* in any one year.

269. You do not pension dependents, but you recognise them by giving them a gratuity?—Yes. There are besides a very large number of children maintained in schools.

Mr. Lambert.

270. That is, of course, a small amount. You do not trust at all to local effort, that is, local official effort, for the maintenance of the widows and orphans of the sailors?—Not at all.

271. Supposing that you had to make an appeal, do you imagine that it would have any effect on that appeal that there is already a fund in Greenwich Hospital?—I think it might influence it adversely.

272. Do you think, now, that any funds provided by the State will have any influence in drying up public generosity?—I quite think so.

273. Have you any idea as to what extent?—That I cannot tell; the same amount of money will not be required from the public when the State provides to some extent for the widows and orphans.

274. Will it not, *pro rata*, rather have the effect that the public will not subscribe so much?—I think so.

275. You give pensions of from 3*s.* 6*d.* to 6*s.* 6*d.* per week?—Yes.

276. Upon what scale do you base your amount?—It is according to the rank of the husband; there are four classes (I have the regulation here), and the pension varies according to the rank of the husband.

277. Pardon me for not being quite clear about it; I was not quite clear as to how you proposed to use the new local councils to be created by this scheme?—When we have the case of a widow under examination for a pension, if these new councils were in existence I should probably go to them to investigate the case and

Mr. Lambert—continued.

to advise us generally as to the claims of the woman, as to her character, and her means of maintenance, and so on.

278. At the present time you do not do that?—At the present time we ask her to nominate some clergyman or person of position, or failing that, we get the information through the local police.

279. If it is not necessary for the Navy, why should it be necessary for the Army to have these local committees?—It is apart altogether from these enquiries; the great value of the local committees will be in administering the local funds.

280. Of course, that is the point I want to get at. Do you calculate that the local funds will be anything like so great when the system of State pensions comes into vogue?—They will not be so great, I think, but they will always exist. Moreover, the local committees will deal with disabled men as well as the widows.

Earl of Dartmouth.

281. May I ask one question with regard to the local committee?—I take it that the great advantage of a local committee which would be permanently sitting would be that it would have the needs and history of every soldier and sailor in that particular district at their fingers' ends, and that the central body, when any question arises, would refer to them, and would get the information without any further trouble immediately?—That is so.

Chairman.

282. I suppose, if you suppressed local committees, you would suppress local funds to a great extent?—Yes. At the present moment, of course, there is no committee such as the Council contemplates in existence.

283. I was not asking whether the committees would be wanted, but if we are hoping that these voluntary subscriptions will still come, we could scarcely hope to get them from the different localities without a committee being there to supervise the collection?—That is so. The local committees already existing will continue to exist for this purpose.

Mr. Lambert.

284. As I understand it, the fund you are proposing to deal with in this report would not be pensions at all, but more in the shape of compassionate allowances, separation allowances, and such like?—The idea is that they should be largely pensions to supplement the Government pensions; it is not anticipated that the Government pensions would be sufficient in themselves.

285. Do you not think that is quite an impracticable scheme, if I may say so, because if the public know that the Government is giving a pension, they will naturally say that the Government ought to give enough to keep the widow or the orphan in reasonable circumstances?—They will, perhaps, think so.

286. Does it not rather strike at the root of the matter? In your own case at Greenwich Hospital, supposing you were to make a local demand for some allowance in addition to your pensions, do you think it would be responded to to any amount?—Very large contributions have

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[Continued.]

Mr. Lambert—continued.

have been made locally for Naval widows, in addition to the pensions.

Marquess of Bath.

287. On emergencies?—Yes.

288. Not as a natural course of things, but to meet particular cases of disaster?—In sensational cases we have had larger funds; but even in a single case it is quite extraordinary the amount of money contributed locally for the widow on board a ship, or amongst those connected with the Navy, in addition to the Greenwich Pension.

289. You would not look for very large contributions as a matter of course?—No, not after the new State pensions are inaugurated.

Mr. Kearley.] May we ask you to give us the corresponding rating in the Navy to those given in the answer of Mr. Brodrick?

Chairman.

290. Just take that (*handing a number of "The Parliamentary Debates" to the witness*). Can you give us what corresponds to the rating there—the grades of the pensions granted by you?—Class V., here, Privates, corresponds to Able Seamen, Privates of Marines, and Marine Artillery; Class IV., Corporal, corresponds to Second Class Petty Officers, Corporals of Marines, and Marine Artillery; Class III., Sergeant, corresponds to First Class Petty Officers, Sergeants of Marine and Marine Artillery; Class II., Colour-Sergeant, corresponds to Chief Petty Officers and Colour and Staff Sergeants of Marines and Marine Artillery, and with regard to Class I., Quartermaster-Sergeant, we have no such rating in the Navy.

291. Will you give the amounts that answer to these in each of the four ratings you have?—For the new pensions the proposal here is 5s. a week for the widow, which corresponds to 3s. 6d. and 4s. 6d.

292. Give us the rate for I., II., III., IV., and V.—

The Witness is directed to withdraw.

Mr. FRANK THOMAS MARZIALS, is called in; and Examined, as follows:

Chairman.

302. What is your position at the War Office?—Accountant General of the Army.

303. It is in your knowledge that it is the intention of the War Office to present a complete scheme of pensions to the widows and orphans of soldiers killed in battle, to come into operation on the 1st of July?—That is so.

304. That has not yet been published in detail?—No; but various details have been given by the Secretary of State for War in answer to certain questions addressed to him in the House of Commons.

Mr. Hayes Fisher.

305. Mr. Lambert has been explaining to us that at Greenwich there is a fund out of which

Mr. Kearley.

293. We are asking for these Navy and Army pensions to be put on a parity?—They will be so.

294. They are not those to come into force on the 1st of July?—Those I read first come into force on 1st of July.

Chairman.

295. Those are for the Army and not for the Navy?—They are the same for both services.

Mr. Kearley.

296. You were reading the pensions that are at present in vogue; I do not think we want that, as it confuses us. What we want to know is what will be the pensions receivable by the corresponding naval ratings on the 1st of July?—For the Navy the rates will be the same as for the Army.

Chairman.

297. That is quite sufficient; that is a firm and fixed intention?—That is so.

Mr. Archdale.

298. Where would the engine room artificer come in; he would not be a chief petty officer, but above that, would he not?—He would be a chief petty officer; he would come in for the highest rate.

299. He would come in only with colour sergeants?—With chief petty officers, colour and staff sergeants of marines, and marine artillery.

Chairman.

300. The Committee would be obliged if you would kindly furnish us at your early convenience with the details we have asked for about the different funds. It would add to the pleasure of the Committee if you would hand then in personally, because we may have to ask you some further questions. How soon can you be ready with the information?—I should think within three days, or two, perhaps.

301. Will you let Mr. Headlam know as soon as the particulars are ready?—Yes.

Mr. Hayes Fisher—continued.

the widows and orphans of all sailors who die through service are eligible for pensions; is there any similar fund to that at the War Office for the widows and orphans of soldiers who are killed through service?—There is no such fund.

306. Chelsea Hospital deals entirely with pensions to men who are discharged invalided through wounds or disease; is not that so?—I am afraid I cannot answer that question; the Admiralty arrangements are not within my own purview.

307. I said Chelsea Hospital deals entirely with pensions to soldiers who have been discharged wounded or invalided from disease from the service?—Not exclusively, because they deal also with pensions to soldiers discharged at the end of their pensionable period.

308. But

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Mr. MARZIALS.

[Continued.]

Mr. Hayes Fisher—continued.

308. But it has no fund at its disposal for the widows and orphans of soldiers killed through service?—That is so.

309. Is there no fund under the control of the War Office or of any official at the War Office for the benefit of widows of soldiers?—There is no special fund allocated for that purpose.

310. Are there no funds administered by the Commander-in-Chief for the benefit of widows?—There is one private fund administered by the Commander-in-Chief with the details of which I am really not acquainted; it is not, I think, specially allocated to widows or children, but is of a more general nature. It is entirely a private fund apart from official cognisance, so that I really do not know under what conditions it exists.

311. To what extent is it; from what sources are its funds collected?—I do not know where its funds originally came from; it is not within official purview at all.

312. Has the fund a name?—It used to be called Lord Wolseley's Fund when he was at the War Office.

Mr. Kearley.

313. It is the Tournament Fund?—No, I think not.

Mr. Hayes Fisher.

314. What then is the Tournament Fund?—The Tournament Fund is a fund proceeding from the profits derived from the annual Tournament. That is not under official purview either really.

315. I consider it is important that I should clear this up. We have to investigate all funds which are applicable to the case of widows and orphans, and I should like to know from you who there is at the War Office who could tell us about certain funds which both you and I think are in existence, and which we believe could be made available for the relief of the widows of soldiers who fell in battle?—I can obtain information about these funds, and I will do so. I do not like to accept the implication that I have a knowledge of any funds specially devoted to this purpose. I have a knowledge of a special fund which I know people are occasionally referred to, but what its exact scope is I do not know. I would tell you with pleasure if I knew.

Chairman.

316. If you got notice as to the information wanted I suppose you could give it to us?—Certainly.

Mr. Hayes Fisher.

317. What I want to know exactly is how far there are any funds in existence, whether under the control of Mr. Brodrick or any other official at the War Office or under the control of the Commander-in-Chief, which are applicable or could be made applicable to the relief of widows and orphans of soldiers who die through the service of their country?—I will obtain the information.

Chairman.

318. Fully detailed information?—Yes, but you will understand that there is no public fund whatever of that kind.

Mr. Hayes Fisher.] But we have to inquire into all charitable funds, and although it is not a public fund it is a charitable fund.

Earl of Dartmouth.

319. It is a public fund administered by the War Office?—It is not administered by the War Office at all.

Viscount Hampden.

320. It does not appear in any account of the War Office?—Certainly not.

Mr. Kearley.] I think I can give the Committee a reference to the fund you are referring to; it is the Woodman Fund.

Mr. Hayes Fisher.

321. There is the Woodman Fund and the Wolseley Fund?—There is the Wolseley Fund certainly; the other fund I do not know.

Mr. Hayes Fisher.] There is the Woodman Fund and the Wolseley Fund, and I am not sure that there is not another fund in Dublin for the relief of widows of Irish soldiers called the Seaton Fund, and I wish you would obtain information as to these funds, the Woodman Fund, the Wolseley Fund, and the Seaton Fund, and any other charitable funds there are. I should like with regard to these funds to know the total amounts, who controls them, with whom the choice of the particular widows lies, and what discretion generally they have as to the choice of the widows and as to the amount they shall give to those widows.

Mr. Kearley.] I see that the Woodman Fund is sometimes called the Royal Cambridge Fund.

Witness.] It may be more desirable that the administrators of these funds themselves appear before you, and give you their own evidence.

Mr. Kearley.

322. Do I understand you to have a full knowledge of the administration of the Chelsea Hospital?—I am not a Chelsea Commissioner; I do not appear at the Chelsea Board. I know the position of the general pension question from the War Office point of view, but as regards the actual administration and settlement, dealing with the men themselves and the examination into their fitness or unfitness, that is done at Chelsea, and does not come before me.

323. Mr. Fisher asked you a question as to whether you had any funds available at the War Office for the benefit of soldiers. You know the Soldiers' Effects Fund, and how it originates?—Yes.

324. That comes from the War Department?—Yes; that is paid annually to the Patriotic Fund Commissioners.

325. I want to ask you a question as to where the money comes from. The Soldiers' Effects Fund is formed from the unclaimed balances of soldiers' effects transferred by the War Office to the Patriotic Fund Commissioners from time to time under the Regimental Debts Act of 1863?—That is so.

326. Can you give us an idea as to whether owing to this war the amount of unclaimed balances of soldiers' effects will be largely augmented?—It will probably be augmented in some

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Mr. MARZIALS.

[Continued.]

Mr. Kearley—continued.

some considerable degree; there are more deceased men; and, therefore, there will obviously be more effects to administer and probably a larger balance of unpaid effects.

327. And that means there will be a much larger sum of money to be handed over to the Royal Patriotic Fund Commissioners?—That is to be anticipated. You understand we do not pay over to the Commissioners year by year the amount accruing in the previous year; the amount of the effects that are accruing at the present moment will not be payable to the Patriotic Fund Commissioners till some time afterwards.

328. Five years generally?—Yes. At the present moment, of course, they are retained for the purpose of being paid over to the relatives of the soldiers.

329. You advertise in the papers. One sees the advertisements from time to time; but, as a matter of fact, there will be available, as the outcome of this war, a very much larger sum of money for the purposes to which this fund is devoted than has come into hand within your knowledge?—No doubt, in respect of the two or three years during which the war has lasted there will probably be a larger sum to be paid over to the Patriotic Fund Commissioners than the average in previous years. I do not know if you are aware at the same time that the amount of the fund will probably decrease for some time by the abolition of deferred pay. Deferred pay was abolished some three or four years ago, and as the deferred pay was credited to the deceased soldier, it became a considerable asset for his relatives. With the abolition of deferred pay and the proportionate increase of the pay of the soldier at the same time, the residue accumulating towards the effects became smaller, and in that way the fund will decrease.

Mr. Kearley—continued.

330. And, therefore, in the future included in the unclaimed balances there will not be the item of deferred pay?—That is so.

331. Is it not a question of policy that we might discuss as to the advisability of continuing to hand over from the War Department money belonging to soldiers for another body to administer. Mr. Fisher asked you whether you had any funds available, and I submit to you that you have the Soldiers' Effects Fund available, or rather the sums of money which go to make up that fund. I submit that those funds are absolutely within your control and power?—I have not got the Regimental Debts Act of 1893 before me at the present moment, and I do not know to what extent we are bound by law to pay it over to the Patriotic Fund Commissioners. Of course if there is no direct enactment to that effect then no doubt it would be open to the Government to make some other arrangement of that fund or even to retain it as a fund under the control of the War Office.

332. These monies accumulate at the War Department, and the War Department are the bankers or collectors of these monies?—Yes.

333. And then under the Regimental Debts Act they hand them over to the Patriotic Fund Commissioners for administration. Mr. Fisher asked you whether there were any funds which might be available, and I would stop that going to the Patriotic Fund?—My answer is that at the present moment there is no fund of that kind, because that money is paid under Act and Warrant to the Patriotic Fund Commissioners. Whether such a fund could be created or not is of course a different question.

Viscount Hampden.

334. Is that done under an Act of Parliament?—The Regimental Debts Act, 1893.

The Witness is directed to withdraw.

Ordered, That this Committee be Adjourned to Friday next, at Eleven o'clock¹

Die Veneris, 10^o Maii 1901.

MEMBERS PRESENT:

Marquess of BATH.

Earl of DARTMOUTH.

Earl of MALMESBURY.

Earl of WESTMEATH

Lord JAMES.

Mr. ARCHDALE

Mr. BARTLEY.

Mr. HOZIER

Mr. HAYES FISHER

Mr. KEARLEY.

Mr. LAMBERT.

THE RIGHT HONOURABLE THE LORD JAMES OF HEREFORD IN THE CHAIR.

MR. GEORGE THOMAS LAMBERT, C.B., is recalled; and further Examined, as follows:

Mr. Hayes Fisher.

335. If you look at Question 40 of the Minutes of Evidence taken at the last sitting you will see that I ask you, "Will you please take any of the other funds in order. About how many are there applicable solely for the assistance of widows and orphans." You said you would have to get that information, and that you would before the next meeting "hand in a list in writing of all the societies which have funds at their disposal for the benefit of widows and orphans, and the amounts." Are you prepared to give us that statement in writing to-day?—Yes.

336. Will you hand it in to me. (*The witness does so.*)

337. Have you a copy of this yourself?—Yes.

338. These are "funds with balances existing at end of 1900"?—Yes.

339. "Specially allocated to widows and orphans"?—Yes.

340. How many of these funds are there?—Seventeen I think.

341. I believe in those 17 are not included any funds available for widows and orphans remaining in the hands of the managers of the "Daily Telegraph Shilling Fund," or "The Scotsman Shilling Fund" or "The Glasgow Herald Shilling Fund," or the London "Daily Mail" Fund, and a few other funds which have not rendered returns in response to the request of the Central Council for Organisation of War Relief Funds?—That is so.

342. What is the total amount of money available in those 17 funds?—£447,484.

343. Close upon half a million of money?—Yes.

344. And of that the largest share of course is (0.21.)

Mr. Hayes Fisher—continued.

credited to the Patriotic Fund?—Very much the largest share.

345. That is a sum of 423,835*l.*?—That is so.

346. So that the 16 funds practically bring us in another 24,000*l.* only?—That is so.

347. Of the 16 funds, that is to say excluding the Patriotic Fund, the largest I see is that of the "Irish Times," of Dublin, with 8,000*l.*?—Yes.

348. And the next largest the Birmingham "Daily Mail" with 6,536*l.*?—That is so.

349. Have you any knowledge as to whether these funds are already specifically allocated to certain widows?—I only know that these funds were specifically allocated to widows and orphans.

350. They were allocated generally to widows and orphans?—Yes.

351. But you have not any knowledge as to whether these funds have been specifically allocated at present to certain widows?—No, I have none.

352. That is to say whether there is still any freedom to make grants from these funds to any future widows?—The amounts shown here were the sums at the end of December; it is very probable that by this time these amounts are expended, except in the case of the Royal Patriotic Fund.

353. I am excluding the Patriotic Fund altogether, and I am simply dealing with this 24,000*l.* You cannot say, but you think there is very good reason for supposing that most of that, if not all of it, has been already specifically allotted to certain widows?—I think so.

354. And in any case, even if it had not, there

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Mr. LAMBERT, C.B.

[Continued.]

Mr. *Hayes Fisher*—continued.

there would only be this very small sum of 24,000*l.* which would be available for our purposes to supplement any grants made by the Government to widows and orphans?—And any sums that may since have been collected in those places.

355. Now, as regards the managers of those funds, they would probably desire to obtain complete control of them and to allocate them according to their own discretion?—Looking at the answers we have received, it seems clear that the local managers desire to manage their own funds in their own way.

356. And certainly in the case of the “Daily Telegraph,” because I understand from you that the “Daily Telegraph” Fund refused you information?—They gave us no information as to the funds in hand.

357. Did your council apply to the “Daily Telegraph” Fund for information?—Yes.

358. Did you receive any answer?—The answer was that they did not consider that the questions which we asked were applicable to their fund, so they did not answer.

359. What presumption did you draw from that?—I think they desired to remain entirely independent.

360. And not unnaturally, having raised a large fund they desired to be the distributors of it?—I think so.

361. You have told me about the funds with balances existing at the end of 1900 which are specially allocated to widows and orphans; you have also given me another list of funds with balances existing at the end of 1900 the allocation of which is partial, namely, to widows and orphans and other purposes?—Yes.

362. What was the amount of those funds existing at the end of 1900?—The amount was 138,640*l.*

363. How many of those funds were there which contributed to this sum of 138,640*l.*?—Forty-five.

364. And the largest of them, I believe, was the Liverpool Fund with 40,000*l.*?—Yes.

365. And the next largest appears to be the Manchester War Fund with practically 21,000*l.*?—That is so.

366. Following that at some distance is the Durham (County Fund) with practically 10,000*l.*?—Yes.

367. The Cumberland (County) Fund with 6,500*l.* and the Glasgow Fund with 7,300*l.*?—Yes.

368. Have you any means of forming an estimate as to how much of these funds is specially applicable to widows and orphans?—I have no knowledge of that.

369. The funds were subscribed probably both for the relief of widows and orphans and for the sustenance of the wives and their families while the soldiers were away, and also probably in aid of soldiers discharged from wounds and invalided by disease?—That is so.

370. And it would be entirely within the discretion of the managers of those funds to devote their fund to any of those purposes just as they pleased?—That is so.

371. Have you any information as to how far these funds still remain unexpended at the present time?—No information.

Mr. *Hayes Fisher*—continued.

372. Now, four months have elapsed since these funds were placed by you at 138,000*l.*?—Yes.

373. And in all probability a large part of that money has been by this time allocated?—I think so.

374. Would not, your opinion therefore, be that in all probability there would be very little of this fund left which we could make available to supplement any pensions which the Government might give to widows and orphans?—Not very much.

375. The Government would probably derive very little help from those sources?—There may have been further subscriptions since December, but I should not anticipate that the amount was considerable.

376. Therefore, to sum up your views I think I may say that you would not expect any material assistance from any funds except from the Patriotic Fund?—If a fresh appeal were made to the country of course circumstances would be altered.

377. I say from the existing funds?—No, I do not expect any considerable amount.

378. So far as the existing funds which are available for our purposes are concerned you would say that practically they do not exist outside the Patriotic Fund?—There is only a small amount of money available, that is my opinion.

379. Of course the money that has been so allocated would very materially assist us, because it has already been given for the relief of widows and orphans, probably on a much higher scale than that of the Patriotic Fund or the Government pension?—I think the scale has been higher.

380. You would say that the scale adopted in distributing the relief from these funds to widows and orphans has been probably a higher scale than that of the Government pension or the pensions given by the Patriotic Fund?—I should like to explain that I gather from the returns that in very many instances the local funds have only supplemented the pensions already given by the Patriotic Fund Commissioners or the “Daily Telegraph.”

381. These funds have been used partly to give original pensions to widows and orphans, and partly to supplement those pensions already given by the Patriotic Fund?—Very largely to supplement.

382. So that so far as they have been given to supplement those pensions, they would materially assist any scheme that the Government might have, because those people would already be sufficiently provided for?—Yes, so far as the supplement is permanent.

383. How many funds were there with balances existing at the end of 1900, the allocation of which is partial, namely, to widows and orphans and other purposes?—Forty-five.

Chairman.

384. Seventeen entirely for widows and orphans, and 45 partially?—Yes.

Mr. *Hayes Fisher*.

385. Seventeen, the amounts of which, including the Patriotic Fund, amount to 447,484*l.*

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[Continued.]

Mr. Hayes Fisher—continued.

447,484*l.*; those are wholly allocated to widows and orphans; then 45 amounting to 138,640*l.*?—Possibly the Patriotic Fund may assist other dependent relatives as well.

Earl of Dartmouth.

386. We may take it, I think, that there is no recognised scale regulating the administration of these various funds, but the managers make their distribution entirely as they choose?—That is so.

Mr. Bartley.

387. Where does the money that was collected by the Lord Mayor come into this?—The Lord Mayor has sent a very large sum to the Patriotic Fund Commissioners. A great deal of the money sent to the Lord Mayor was ear-marked for widows and orphans. Other sums were at his discretion.

388. That is, the great bulk of the Lord Mayor's Fund which is unexpended is, I suppose, in this item of the Patriotic Fund, 423,000*l.*?—That sum of 423,000*l.* is, I believe, made up of the Lord Mayor's contributions and the sums sent direct to the Royal Patriotic Fund Commissioners.

389. Specially for this war?—For this war, as I understand.

Chairman.

390. Will you answer the same question with reference to the Soldiers' and Sailors' Fund: do they come into this list in the same way?—They deal with wives and children of men who are living, and not with widows and orphans.

Mr. Kearley.

391. Could you supply us, or can we have supplied to us, the full particulars as to how the money collected at the Mansion House has been allocated? We are aware, of course, that the Patriotic Fund has received that portion of it subscribed for widows and orphans; we are aware also that Colonel Gildea has got a large amount, that Lloyds' Patriotic has a large amount, and there is a fund that the Lord Mayor maintains control over which he has the option of disposing of in whatever way he chooses: could you let us have the sub-division of the various amounts collected?—I can only say that the Lord Mayor's Fund amounts to about 1,120,000*l.*, and that I understand that this sum has been

Mr. Kearley—continued.

almost wholly allocated to various funds already; but I cannot give the precise figures, I think, without the Lord Mayor's permission; I should have to get it from him.

392. We will leave that; we shall want to know exactly how the money is divided; we know a certain portion has gone to the widows and orphans. You mentioned just now that many of these funds had been given to supplement pensions given by the Patriotic Fund Commissioners; is it not more in this way, that these funds gave pensions before the Patriotic Commissioners began to give theirs; it was not a case of these funds supplementing the Patriotic Commissioners' pensions. Is it not rather that the Patriotic Commissioners took into consideration the amount of the pension allocated from these various funds and supplemented them?—I have no sufficient evidence on that subject; it seems from the returns we have seen that when the wife became a widow they immediately referred her to the Patriotic Fund Commissioners, and then they supplemented the pension of the Commissioners as they thought fit locally. That is what I gather from the returns in the schedule.

393. Take, for example, the largest of these funds outside the Patriotic Commissioners, the "Daily Telegraph" Fund: was not their procedure this, that when a wife became a widow they immediately gave her a pension irrespective of what had been given by the Patriotic Commissioners or anybody else?—The "Daily Telegraph" did so, I believe.

394. And other funds, I am informed?—They gave gratuities in certain cases, but the "Daily Telegraph" is the only fund, as far as I know, that gave permanent pensions.

395. And then the Patriotic, in allotting their pensions, took into consideration what had been given from other funds, and gave a pension that brought the sum up to a certain amount. Perhaps we had better ask Colonel Young about that?—I cannot answer that question.

Chairman.

396. I have initialled this document, and we had better take this as your evidence. This document, which you have handed in, so far as you know, is correct?—So far as I know. (*The document is handed in.*)

Witness is directed to withdraw.

COLONEL JOHN SMITH YOUNG is called in; and Examined, as follows:

Chairman.

397. ARE you the acting Secretary to the Royal Commissioners of the Patriotic Fund?—I am the Secretary.

398. When was that Commission formed first?—In 1854.

Chairman—continued.

399. At the time of the Crimean War?—At the time of the Crimean War.

400. I believe his Royal Highness the Duke of Cambridge is President?—At present.

401. And

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Colonel YOUNG.

[Continued.]

Chairman—continued.

401. And then there are a body of Commissioners, the Duke of York, Prince Edward of Saxe-Weimar, and many military men, acting as Commissioners?—That is so, with the Accountant General of the Navy and the Accountant General of the Army as *ex-officio* members.

402. And there are some official Trustees, the First Lord of the Admiralty, the Secretary of State for War, and the Paymaster General?—That is so.

403. In addition have you formed certain committees; have you an Executive and Finance Committee?—Yes, appointed by the Commissioners.

404. And other committees?—A few local committees.

405. There is first the General Committee for the management of the Royal Victoria Patriotic Fund?—That is so.

406. Both of these committees are composed of well known public men?—That is so.

407. Then there are some local committees?—Yes.

408. What is the action of the local committees?—To advise the Commissioners in regard to cases and bring forward cases for consideration.

409. Who appoints the local committees?—They are appointed locally, generally speaking, through the municipal authority, the municipal authorities being Commissioners in aid of the Patriotic Fund.

410. Are they appointed for the special purpose of communicating with the Patriotic Fund?—That is so.

411. Do you find that they act cordially and efficiently?—Most cordially. I ought to say that they are limited simply to naval and military centres in accordance with the recommendation of the Select Committee of the House of Commons in 1896.

412. That is the machinery of the Patriotic Fund?—With direct contact with the recipients, yes.

413. I am not asking as to your action; I ask as to your machinery. Now, then, a little as to the history: you were formed in the year 1854; I suppose it was a Royal Commission?—By Royal Commission.

414. Have you from time to time had powers beyond those contained in the Royal Commission granted to you?—That is so.

415. Can you state very shortly the dates of the alterations of your constitution, and generally what the extensions of those powers have been: have you got any means of stating that?—Yes, I think I can do so shortly. The first alteration was in 1866, when Parliament intervened by passing the Patriotic Fund Act of 1866, because, as the Preamble stated, they had doubts whether it was right that the Sovereign alone should continue to direct the operations of the Patriotic Fund Commission. An Amending Act was passed in 1867, which confirmed the operations of the Patriotic Fund Commissioners or to that date, and placed limitations on

Chairman—continued.

their power of application of the Patriotic Fund, and effect was given to that Act by a Royal Commission dated 26th March 1868. That remained the position until 1881, when, as the result of a Government Inquiry, the Patriotic Fund Act of 1881 was passed, which gave effect to a much wider policy constituting the Patriotic Fund Commissioners generally as a body to receive and administer sums raised by public subscription for the benefit of widows, orphans, and other dependents of deceased sailors and soldiers—

416. Explain please; your first Commission dealt with the Russian War only?—The Russian War only in 1854 and 1867, practically so.

417. Now, 1881?—1881 much wider; it was the Government policy to constitute the Patriotic Fund Commission as a body to receive and administer public funds and to deal with surpluses of funds in accordance with the general indication given in Section 4 of the Patriotic Fund Act of 1881. That was further extended by the Patriotic Fund Act, 1886, which directly placed upon the Commissioners the public responsibility of raising Funds by their own initiative, inasmuch as it directed them to ask for, receive and administer, sums to be applied for the benefit of widows and orphans of officers and men of Her Majesty's Navy and Army.

418. Only widows and orphans?—Only widows and orphans; but when the Supplemental Commission—and that is the form in which effect is given to Acts relating to the Patriotic Fund—was issued in 1897 to give effect to Section 4 of the Patriotic Fund Act of 1881, I brought to the notice of the Treasury authorities who were drafting the Commission that "other dependents" should be included. The Law Officers of the Crown advised the Crown that, as these words were not in the Act of 1881, they could not be included. The consequence was that the last Act, the Patriotic Fund Act of 1899, was specially passed to include "other dependents" as well as widows and orphans within the purview of the Patriotic Fund Commissioners' operations.

419. Very generally, who would be the people that would come in under your term "and other dependents"?—Mothers, fathers, and sisters mainly.

420. That was in 1899?—Yes.

421. At the present time, then, your funds stand free from restriction as to the objects of the Patriotic Fund?—Absolutely free.

422. Those being your powers and your constitution you have, of course, the original fund at your disposal, and other funds have come into your hands?—That is so.

423. You have a paper of which you have furnished me with a copy?—Yes, and I can give a copy to every one present. (*The Witness does so. Vide Appendix A.*)

424. First I will ask you formally—excuse the question—are the statements, as far as you know, in this paper correct?—Absolutely correct, the accounts have been audited by the Treasury auditor.

425. I

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Colonel YOUNG.

[Continued.]

Chairman—continued.

425. I will summarise very shortly because the paper has been handed in, and it will appear on the note; the capital sum of the whole accounts stand at 1,263,208*l*.?—That is so.

426. Can you in any way separate the sums and items in this account applicable to widows and orphans from those which are general in their opportunity of application?—I can.

427. Just give us, if you please, widows and orphans separately?—The Patriotic (Russian War) Fund; the Patriotic (General) Fund.

428. Which is this—widows and orphans only?—Actually widows only now.

429. I meant in their initiation—were they widows and orphans according to the scheme?—Quite.

430. We will call them so; they have grown out of it, I suppose?—Yes, the orphans have. The Patriotic (Russian War) Fund; the Patriotic (General) Fund; Patriotic (Army) Fund; “Rodriguez” Fund; “Captain” Fund; “Eurydice” Fund; Royal Naval Relief Fund; Zulu War Fund; “Atalanta” Fund; “Soldiers’ Effects” Fund; Ashantee War Fund; Zervudachi Fund; County of Forfar Fund; “Victoria” Fund; Indian Army (Europeans’) Effects Fund; Transvaal War Fund. Those are all that are applicable to widows and orphans in the shape of pecuniary allowances. There are three remaining funds which are applicable for endowment purposes, it may be said, namely, the Royal Victoria Patriotic Asylum Endowment Fund, for the maintenance of the Royal Victoria Patriotic Asylum; and the Thurlow Fund for the benefit of the children outside of the scope of the Patriotic Asylum Endowment Fund; and the Roman Catholic Orphans’ Fund, for the maintenance of orphans in Roman Catholic orphanages.

431. Then there are the Light Brigade (Balaklava) Fund, and the County of Forfar Fund?—The County of Forfar is for widows.

432. The easiest way will be just to deduct the Light Brigade Fund, and the three Trust Funds, and find the capital account of those, so as to deduct from the whole amount?—I make it, if my addition is correct, 195,680*l*. as the aggregate of those four funds, and that would leave 1,067,528*l*. for widows and orphans.

433. That is the capital amount invested?—That is the capital and face value of the securities.

434. What about the actual value?—The actual value varies according to the value of the securities; there has been remarkable variation.

435. Is there any estimate of actual value?—It would never be safe to make such an estimate, and I will give an illustration. In July, 1896, the Select Committee of the House of Commons had them valued by Mr. Finlaison, and they are now about 13 to 14 per cent. less all round.

436. If you say you have not done it, well and good; but tell us generally would it be above or below?—Distinctly above; they are all first-class securities.

437. Was there an actuarial valuation in 1896?—All our funds that are devoted to the using of capital as well as income in payment of

Chairman—continued.

beneficiaries are regularly revalued from time to time by an actuary.

438. Where the capital is to be used?—Where the capital is to be used in the payment of allowances which some people would call annuities, we call them allowances, as we do not give them absolutely as the right of the recipient. They are valued by an actuary, in the case of the Patriotic (Russian War) Fund every year.

439. Take the Patriotic (Russian War) Fund, we will take that as an example, we have got a capital account of 151,000*l*.; what is your actuarial valuation for that?—The actuarial valuation by Mr. Finlaison—

440. We do not mean the actuarial valuation, subject to the charges upon it for the annuities, but the security valuation?—I quite understand, my Lord, Mr. Finlaison valued the securities at 230,060*l*.; that is on page 53 of the 38th Report.

Mr. Kearley.

441. May I point out that in your statement you are giving us a statement of the affair at 31st December, 1900, and now you are referring to the capital value of the fund a year before?—I am giving the last I can give; I cannot give later because Mr. Finlaison is dead, for one thing.

Chairman.

442. It shows this, that it is very much in excess of the face value?—Distinctly, my Lord.

443. Will you give the figure again, 151,000*l*. compared with what?—230,000*l*.

Mr. Bartley.

444. You have not got the face value of the year before, have you, because that would show it?—Certainly; if you turn to the front page, page 7, you will see that the securities I have given you as 230,060*l*. had a face value of 179,864*l*. 12*s*. 8*d*.

445. That is very important?—Very important.

Chairman.

446. What document are you referring to there?—The 38th Report, the last report issued, page 7.

447. That is 1899?—Yes.

Mr. Bartley.

448. That would make the present value, roughly speaking, 200,000*l*., if it had not changed?—That would be about it.

Chairman.

449. I do not follow you as regards page 7?—Page 7 of the 38th Report; it is the very same table as that you have before you, only different amounts.

450. Take Mr. Bartley’s comparison, which is sounder—in 1899 the face value was 179,000*l*., and what was the actual value?—230,060*l*.

451. That is the capital sum that you have in hand?—Yes.

452. Do you have any receipts besides interest on the capital sums?—Nothing except with regard to the Transvaal War Fund.

453. The second column shows the receipts therefore which represent interest?—Interest.

454. Is not that correct, that as regards some of the

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[Continued.]

Chairman—continued.

the securities following up the Patriotic (Russian War) Fund, the incomes of the Trust Funds are paid direct to the governing bodies of those institutions?—That is so; it was done in 1857.

455. Now, then, we come to your expenditure, if you please, for the year 1900. You first show your payments to widows and orphans and others; can you distinguish between the payments to widows and orphans and others?—The others are other dependent relatives, such as sons and daughters who have been infirm from the time they were first placed upon the fund, and continued on the fund in consequence of their inability to earn anything for themselves.

456. That does not quite answer my question; for the purpose of this Committee it is important that we should know how much of that 18,846*l.* has been expended on widows and orphans as distinguished from "other dependents."

457. That is the Russian War Fund—

Mr. Bartley.] The column beyond tells us—940 to 16.

Chairman.

458. It says there 940 widows and 16 other dependents; that assists us very much. Now, then, the Patriotic (General) Fund, which is under the Supplementary Commission of 3rd April, 1897, I see your statement is that there are 6,501*l.* paid to widows and orphans, and that there were 768 widows and no other dependents?—No other dependents in that case.

459. I do not think that we need go through them, except to ask the Committee to themselves read what is here stated; you have shown how much has been paid to widows and orphans in all the different bodies that you have mentioned in the Paper?—That is so.

460. And it comes out that you relieve 4,722 widows on the whole, and 324 other dependents?—And 4,188 children.

461. I now want to know what action you take in the Patriotic Fund in distribution to prevent frauds. How far do you protect yourselves against frauds?—By requiring the recipients to make a declaration quarterly in a certain form, which has, I think, been absolutely efficient to prevent frauds.

462. Take now the case of a widow: at present I understand there is no pension granted by Government to a widow?—Not to the (Russian War) widow.

463. What proof have you required that the person applying to you as a widow is a widow?—The verification by the official department concerned—the Admiralty or War Office, as it may be—of the death of the husband.

464. I do not know whether you can anticipate the future, but in the future, inasmuch as the pension goes to the widow, of course, if she applies to you as a widow, you will know that she is in receipt of a pension from Government, because it will be as a matter of right?—But, as a matter of fact, we should have to have the death verified in the same way as before, because our relief must be prompt. The pension may not be granted for some considerable time.

465. I see what you mean: you would be probably the first actors in the relief?—We have been, in the Transvaal War.

466. Now, in making these inquiries, have you

Chairman—continued.

to get into communication with local bodies?—Always.

467. Have you framed any rules for the control or guidance of these local bodies?—The local bodies at present existing are numerous, and absolutely independent of ourselves, except these few committees that are on the second and third pages of our Reports.

468. But how far do you act in concert with them; in the first place, do you find that there is any friction between you and them?—None whatever, as a rule. I would be disingenuous if I did not say there were a few that do act with a little friction; but it is so exceptional that it does not govern the rule at all.

469. If an application is made by a woman alleging that she is a widow, say, in the County of Devon, and you entertain that application, what steps do you take to find out what local relief she is obtaining?—In regard to the Transvaal War Fund, which is a concrete illustration and very widespread, because it has covered the whole length and breadth of the United Kingdom, we invariably send what we call our immediate relief through the local branch of the Soldiers' and Sailors' Families Association if it so exists, and by their kind assistance we have invariably had all the information that was necessary to enable us to give prompt and satisfactory relief when it was deserved.

470. First tell me what is the source of your Transvaal War Relief Fund?—It was opened at the Mansion House on an appeal from the Duke of Cambridge by the Lord Mayor.

471. Was it special for the Patriotic Fund?—Absolutely; the advertisements from the very first were that it was to be handed over to the Patriotic Fund Commissioners.

472. How much did you receive?—347,800*l.* to date; I have sent for the figures.

473. How much of that was for widows and orphans?—437,800*l.*, I beg your pardon; the whole of it is for widows and orphans and other dependents of officers and men—British and Colonial.

474. I suppose the "other dependents" are a small proportion of the amount?—Far from it, they are very numerous.

475. Then they are different to what you have done in the Patriotic Fund?—Perfectly different.

476. Do you receive applications from widows—that is to say, representing the orphans and other dependents, first to the Patriotic Fund centrally here in London?—Centrally in London.

477. And have you any machinery for inquiry except the local bodies?—Well, in isolated cases we find that by the mere fact of requiring the widows to fill up our form of application that places us in touch with adequate local information to test any case.

478. Clergymen?—Clergymen, naval or military officers, medical men, professional men, magistrates.

479. And had you a staff following up those inquiries?—Oh, yes.

480. Supposing the reply came from a clergyman that he believed this woman lived in some other district, and had misconducted herself, what should you do?—Well, of course, every case is dealt with on its merits, but we find no difficulty

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[Continued.]

Chairman—continued.

difficulty whatever in getting at the truth in these matters.

481. Do you enter at all into the merits of the case? I do not mean as regards want or size of family at all, but as to the person's character: supposing you found that the woman had been leading an immoral life, what would you do?—She would not receive any assistance.

482. She must be meritorious?—She must be deserving. We struck off a number. I can give you the particulars as regards the Transvaal War to show that there must have been searching inquiries in that direction.

483. Do not go too much into detail?—I think this would interest you; I can give it to you. I think if your Lordship would allow me, I would put in this to show how the Transvaal War Fund arose, the actual copy of the appeal, and the Lord Mayor's letter on it. (*Handing the same to the Chairman.*)

484. We have got enough for our Inquiry, please?—The number of widows, including 90 in the Colonies, registered to date.

485. Is this Transvaal War only?—Yes, 2,960; children, approximately, 3,900, other dependents, 1,902; total, 8,762 persons. Of the applicants included as widows, 51 were found to have been erroneously reported as widows, their husbands having turned up alive afterwards.

Mr. Hayes Fisher.

486. There was no fraud necessarily there?—Not in this; the War Office reported them as dead; they were mostly Magersfontein cases, in connection with which a number of men were reported as dead, who were really missing.

487. The reports were a little premature?—Yes, but the widows got our relief. Sixty-eight widows have remarried, 11 have died, 36 cannot produce marriage certificates, and 25 have been found to be unworthy.

Mr. Bartley.

488. All the others were relieved?—All the others have been relieved.

Chairman.

489. What construction do you put on the word "unworthy" there?—That they are living an immoral life as a rule.

Mr. Lambert.

490. Is that widows only?—No. I will give you the paper if you like (*handing the same to the honourable Member*).

Chairman.

491. I want the amount more or less; it may not be exact in each case—that you gave either on a scale or generally to these recipients?—We gave immediate relief of 5*l.* to each widow and 1*l.* for each child on the notification of the death of the husband.

492. How did you obtain notification of the death of the husband?—By verification from the War Office or by notification from the War Office. The War Office had the earliest notification and within 24 hours they made us the notification, and within 24 hours we sent immediate relief.

(0.21.)

Chairman—continued.

493. 5*l.* to the widow and 1*l.* for each child?—That is so.

494. Did you vary at all in the case of non-commissioned officers and soldiers?—No, the same for all under the rank of officer.

495. You gave relief to commissioned officers as well?—That is so, but we gave no sum of immediate relief to officers' widows. As a matter of fact, they were looked after very well by Lady Lansdowne's Fund in the first instance, but we have given allowances to 25 widows of officers.

496. We will come to that afterwards; we are on immediate relief. Lady Lansdowne's Fund took charge of the immediate relief of these widows?—As a matter of fact it did, but it was originally for the wives and families of officers in the same way as the Soldiers' and Sailors' Families Association was for those below the rank of officer, and consequently they were not in a position to continue any relief.

Mr. Bartley.

497. Directly the notification of a soldier's death in South Africa arrived, and you had the information, do I understand you sent 5*l.* with 1*l.* for every child at once to the widow?—5*l.* to the widow and 1*l.* for every child, through any local authority that exists, such as the local fund or branch of the Soldiers' and Sailors' Families Association—if not direct to the widow herself, but that was very seldom.

498. Was the lump sum given at once?—Yes, it was generally considered to be for mournings and her immediate necessities.

Chairman.

499. Will you now pass from the immediate relief fund and go to your further relief?—Forms of application were sent out with the immediate relief, and on the report of the case being satisfactory, we gave allowances on a scale of 5*s.* for the widows of privates per week, and 1*s.* 6*d.* per week for each child; corporals, 5*s.* 6*d.* a week and 1*s.* 6*d.* for each child; sergeants, 6*s.* a week and 2*s.* for each child; colour-sergeants and other ranks above that, 6*s.* 6*d.* a week and 2*s.* for each child. Warrant officers' widows were granted 10*s.* a week and 2*s.* 6*d.* a week for each child if not in receipt of a warrant officer's widow's pension, but if in receipt of a warrant officer's widow's pension the amount was 5*s.* a week for the widow and still 2*s.* 6*d.* a week for the child. All these rates were absolutely governed by the local circumstances; that is to say, the local funds would give assistance, and when that assistance came to our knowledge the case was dealt with with that knowledge, and these rates were not always maintained.

500. How were these circumstances you have just referred to—local circumstances—brought to your knowledge?—At first there was chaos, but by degrees system was evolved, and we obtained prompt information of the allowances being locally granted.

501. Did you in return let the local people know what you were granting?—So much so that the notification we gave of our allowances was always made through a local authority.

502. What was, in your opinion, the result? D You

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[Continued.]

Chairman—continued.

You are familiar with the term overlapping—do you think many recipients received an excessive amount in proportion to what they ought to have received in consequence of two bodies acting?—I have not the least doubt of it in some cases.

503. Give an instance of what you mean by that, please?—I have here a letter which goes absolutely to that point. The "Irish Times" Fund has worked in co-operation with us. I brought to their notice that their system of relief overlapped ours to the waste of both—that is to say, that their intention to limit their relief was not carried out by reason of its being done independently. The sentence that I need only quote from the Secretary of the "Irish Times" Fund is: "I find that many of these widows have spent more than double 15s. a week, and consequently have deferred giving them anything at present. More than one woman has been allowed to get rid of over 2l. a week since the death of their husbands."

504. Where did that money come from, do you suppose?—The "Irish Times" Fund adopted the plan of giving a lump sum to some responsible person in the town where the widow lived with instructions to limit the amount to a total of 15s. a week for a widow including our allowance or allowance from anywhere else, but the responsibility did not seem to act, with the result that I have just shown you.

Mr. Archdale.

505. Was not the "Irish Times" Fund specially for Irish regiments and dependents?—That is so.

506. It was subscribed for that purpose?—Yes.

507. And that was one more reason of the overlapping?—Well, it has been satisfactorily solved; they have yielded to the representations I made on behalf of my Commission, and they have taken over the whole of the Irish regiments' widows for relief, and we have dropped these altogether till the "Irish Times" Fund is exhausted.

Chairman.

508. Have you formed any estimate as to what—taking the case of a private soldier—was the most satisfactory amount to be given for the support of a widow and the support of her children?—It, of course, all depends upon the number of the children in the family.

509. You are giving so much per week for the widow, and you are giving 1s. 6d. for each child. The object of my question is to find out how far your allowance should have been supplemented by other allowances so as to give a fair living to the woman?—I was intending to convey in my answer the views of the Commissioners with regard to that by saying that all the allowances are provisional at present in the Patriotic Fund Commission, and that the Commissioners intend to deal with each case when overlapping ceases entirely and the State pensions are granted, and we know to whom they are granted, by dealing with each widow on the merits of her case. Twenty-five per cent. are without children.

510. I gather that you cannot give me the figure; I wanted to see if we could reach a figure fairly representing the average which you

Chairman—continued.

would say would be fair to give to the woman. You mentioned 15s. a week just now as being a sum that came into play in that direction?—I agree entirely, and have agreed officially, with the statement in the National Consultative Council at the Mansion House Report as to 7s. a week being the minimum.

511. For a private soldier?—Yes.

512. Without children?—Without children.

513. And for each child?—Two shillings a week.

Mr. Kearley.

514. That is not the present sum you are giving?—No, ours are only provisional just now.

Chairman.

515. Besides, you are not giving the total sum; it was not a case of the Patriotic Fund giving the total sum, but you were helped by local effort?—That was absolutely the rule rather than the exception.

516. Your figure is not what you would take as the ideal sum, but it is a sum given in addition to private subscription?—Quite.

517. You have seen the statement made by the Secretary of State for War in Parliament, and you have seen those figures?—Which figures?

518. Figures in the statement made by the Secretary of State for War in Parliament as to the intention of the Government with regard to pensions to be given to the different classes?—I have.

519. I do not want to go through them with you, but according to the answer you have just given, that amount would, you think, or ought to be, supplemented to some extent?—Undoubtedly.

520. You have 5s. for a private instead of 7s.?—Quite so.

521. And, therefore, you think it desirable that it should be supplemented. Now, if this intention of the Government be carried out, what course would the Patriotic Fund take as regards their, what I would call, hitherto allowances?—They would fulfil the pledge they gave to the Lord Mayor as to the ruling principle of the administration of the fund, to deal with each case on its merits, and endeavour to place the woman in something of the same condition in life as she enjoyed during her husband's lifetime.

522. But your duties would be immensely mitigated by the pension?—They would be mitigated financially.

523. They would be mitigated to a great extent as to the amount which you would have to give?—To a very great extent.

524. There would be, then, first the fundamental allowance of a pension of 5s., there would be the Patriotic Fund allowance, such as it might be, and you also have your local assistance?—That is dying out fast.

525. That you would dismiss? What is the cause of its dying out fast?—I suppose they acted upon the belief that the war would end sooner than it has done, and perhaps liberality entered into their relief to a large extent.

526. Of course, the amount required would be comparatively small in future with the State Fund and this money?—That depends entirely on what proportion of the widows are found to be entitled

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[Continued.]

Chairman—continued.

entitled to State pensions, and that is an absolutely unknown quantity as yet.

527. How do you mean by the proportion of widows entitled; who are not to be entitled?—The widows not married with leave—that is to say, not on the married establishments of their corps.

528. Can you give us the proportions of those?—No, we are assisting the War Office by giving to them full lists of all the widows—these 2,960 widows and their children, and it is going on *de die in diem*—it is not finished yet, and they have not been able to tell us who are the widows on the strength yet.

529. Have you or, as far as you know, have the local committees made any difference in the relief of widows married without leave and those married with leave?—We have absolutely never as much as enquired; we never make any difference; we are a benevolent fund.

530. A widow to you is a widow?—She is a widow; she simply produces her marriage certificate as far as that first stage goes.

531. And you cannot give me an estimate of the proportion?—No one could, my Lord.

532. You do not know how far that distinction may or may not be maintained?—

Mr. Kearley.

533. Do you say you are supplying the War Office with information day by day as to widows?—That is so; I can produce a copy of the list.

Chairman.

534. Have you any suggestion to make on this point now when the change is about to take place, and the Government pensions are about to be granted, whether advantageously you would in the first place suggest any change in your own system of previous action?—That is rather a large question.

535. I intended that?—I would like to answer it in this way—the Commissioners are fully alive to the fact that this is a new departure, and that there should be a national organisation and co-operative working between local bodies and the central bodies to secure against overlapping and inefficiency of system of relief.

536. Can you pursue that—when you say a national system have you any idea to give us of in what direction that system should act or how it should be formed?—The Commissioners have co-operated with the National Council at the Mansion House, and they feel that a most important and practical step has been taken by the recommendations that are contained in the report which was read at your last sitting, and in that direction they will be prepared to go, and if there is any alteration that this Committee in their wisdom may see fit to suggest in the constitution of the Patriotic Fund, the Commissioners place themselves unreservedly in your hands in that matter, and no question of our charter will stand in the way.

537. You have referred to the recommendations of the Committee; I do not know how far they are quite complete—which were put in by Mr. Lambert: you were a member of that Committee?—And I was also a member of the Subcommittee which dealt with the details.

(0.21.)

Chairman—continued.

538. Those recommendations therefore you are well acquainted with?—I am.

539. And now speaking as a witness personally, I suppose those are the recommendations, if we went into detail, you would place before us?—Certainly, as far as they go; they are capable of development.

540. This Joint Committee is only dealing with widows and orphans; so far as they affect widows and orphans you approve, I presume, of that suggested machinery?—As far as they go.

541. Only a question or two, please, as to that machinery. If there be a central body, presumably sitting in London, you would not suggest that that central body should have any compulsory powers?—I think compulsory powers would be misplaced.

542. They could only exist by virtue of legislation?—Exactly.

543. Would that in any way assist the enthusiasm of voluntary effort—to compel the action of local bodies?—I doubt if it would.

544. Have you any practical suggestion to make as to what appeal is to be made to local bodies to follow, say, certain rules and regulations laid down by the central body?—I think that the formation of a county local committee which the Central Council has recommended will have the effect of bringing about by representation on the Central Council that link which will make for efficiency, but as to how it will work, of course it is a new departure, and it would be rash to prophesy. I think, however, there is hope that it will be efficient if it is sufficiently comprehensive. I do not think it ought to be only for widows and orphans.

545. You have spoken of the willingness of the Patriotic Fund Commissioners, as far as you know, to fall into line with other bodies: would your idea be that the local committee would be equally disposed to follow the advice of a well-selected central body?—I do most sincerely, if it is authoritative. The danger I see before it, if I may say so—and Mr. Lambert rather emphasised it the other day, but I do not agree with him—is that of its being advisory only. I certainly think that the central body should be authoritative, and I think it will be authoritative by representation.

546. What does that mean—how are you to enforce the authority if the local committee dissents?—The authority would be by resolution in annual council.

547. Resolution of the local body?—Of the Central Council.

548. Then how could you enforce that? If the central body arrive at a resolution, and say that all the local bodies should do this and that, and the local body for the County of Devon says, "We will not do it," what then?—You, of course, cannot compel them, but I believe, my Lord, it would work by the very fact of representation.

549. That is voluntary compliance?—Voluntarily entirely it must be.

550. What do you say to asking the local bodies to become affiliated with the central body on the terms that as soon as they are affiliated they shall obey the central body?—I think that would do.

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551. In

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[Continued.]

Chairman—continued.

551. In that way you would have not an objection to every regulation made, but by the one act of affiliation you would then get authority over the local body?—I believe so. I do not know if I may be in order, but I have been specially asked by the Duke of Cambridge to hand in two documents if you will receive them (*handing the same to the Chairman*).

Mr. Lambert.

552. You distribute your funds through local bodies; how is the local bodies formed? Is it formed by nomination or election, or how is it formed?—Are you referring to the local bodies I have referred to in answer to the Chairman?

553. Yes?—These are bodies of which 99 per cent. are independent altogether of us.

554. I understood you to say that you distribute your funds according to the advice of local bodies, and I think you mentioned the word "Municipal"?—That was in relation to those we formed ourselves, certainly.

555. How were they formed—by election or nomination or co-option, or how?—We had nothing to do with them, we simply asked the municipal authority to form a body, and they elected the members themselves. The Lord Lieutenant was communicated with in the first instance.

556. Plymouth would be a naval and military centre?—Yes.

557. Had you a local authority there?—Yes.

558. By whom was it nominated?—At a meeting that was called in Plymouth Town Hall by the Mayor of Plymouth; there were representatives present that he thought were local representatives, and they formed their own body.

559. They were nominated by the Mayor?—Well, they elected themselves.

560. I do not want to press you; I only want a general idea for the use of the Committee later on. Then you had a good deal of advice given you by the Soldiers' and Sailors' Families Association?—They were most helpful in giving us the local knowledge regarding the recipients.

561. And you were able to give prompt and satisfactory relief; does satisfactory relief mean the amounts you gave us just now for each widow and child?—Certainly not.

562. What would you term satisfactory relief?—Satisfactory relief would be that which would be adequate for the necessities of each case.

563. Would not the scale that you gave us just now—the allowance of 5s. per week for a private and 1s. 6d. for each child, be adequate?—Certainly not.

564. What would you consider to be adequate?—In this war there have been brought out diversity of circumstances of widows by reason of this being the first war in which the reservist has played a part. Consequently, there are cases of widows of men employed as reservists who were in such comfortable circumstances as having a home maintained by two or three, or perhaps four or even five pounds a week; you cannot apply the 5s. a week rate to such cases as adequate.

565. You gave a prompt and satisfactory relief. What was the amount of the relief you gave?—The amount of the relief was 5l. for each widow.

Mr. Lambert—continued.

566. I know, but I want to get at what you consider to be satisfactory relief, and, as you stated a few moments ago in answer to the Chairman, that you gave satisfactory relief, I thought you could tell me?—I think you have misapprehended the circumstances; I qualified all our relief by saying it was provisional, and that it was overlapped in almost every case by local assistance. Consequently the local assistance must be taken into account in regard to the satisfactory amount.

567. I do not wish to press you, or to criticise you, but I only wanted to know what in your idea would be satisfactory relief?—I hope I have intelligently answered it by saying that at the present moment there is not one single individual could say what it is until we ascertain, when we are freed from overlapping, the actual circumstances of each case, and when we know the State pension.

568. Could you give me what your idea would be as to the amount of satisfactory relief which you believe would be necessary and adequate for the needs of the case?—I told the Chairman that I agreed heartily as a representative of the Patriotic Fund Commissioners with the recommendation that is in the National Consultative Council's Report of 7s. a week for the widow of a private as a minimum.

569. In this table you have handed in I see it says that the "Rodriguez" Fund was devoted entirely to widows and orphans. I see you have under the term "other dependents" 11 persons; how does that come in?—Did I say widows and orphans only?

570. I thought so, in answer to a question?—Then I was wrong; it includes other dependents.

571. I will not press that at all?—We really class them with widows because, generally speaking, they are elderly people—elderly spinsters, or something of that kind.

572. As to the figures you gave us just now, do these 8,762 applicants only refer to widows? You say there are 51 whose husbands have since been found to be alive, 68 have remarried, 11 have died, and 36 cannot produce marriage certificates?—These are all widows.

573. How about the other dependents; have you taken into account their character?—Certainly.

574. But you have no figures to give the Committee as regards them?—No.

Mr. Kearley.

575. Probably the 25 includes dependents?—My note says, "Note of the applicants included as widows."

Mr. Lambert.

576. You have not any figures to give as to the somewhat searching investigations that you have put the other dependents to, which I presume would be the same as in the case of the widows?—There is not the same finality about these other dependents.

577. Do I understand that the "Irish Times" Fund has taken in hand the relief for the Irish soldiers?—The widows of Irish regiments until they are exhausted.

578. That has relieved the Patriotic Fund of the responsibility as regards the widows and dependents

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Mr. Lambert—continued.

pendents of Irish soldiers at present?—That is so.

579. You said, if I did not misunderstand you, that some widows had been spending as much as 2*l.* a week—I quoted the letter of the secretary of the “Irish Times” Fund.

580. Have you of your own personal knowledge any opinion as to that overlapping having taken place to such an extent?—It has been absolutely widespread.

581. And there has been in the distribution of these charitable funds an amount of overlapping so that cases where widows have had 2*l.* a week to spend have been widespread?—Well, I would not say to such an extent as 2*l.* a week, but the overlapping has been, I would say, almost universal, from the fact that the local funds were most desirous to give their money away.

582. You think a considerable amount of the contributions have been—I will not say wasted—but regretably employed: do you agree?—I have no manner of doubt about it, and I think it will be found out, when the needs of age come, that it would have been better employed to have been kept for old age.

Mr. Bartley.

583. Would it be true that some widows were even better off with their allowance after they became widows than they were before?—No, I think not.

584. I mean financially, of course?—I think not, because the allowance of the Soldiers’ and Sailors’ Families Association which so splendidly assisted them as wives was a very liberal allowance indeed, and, therefore, when they came to be widows, unless the local fund came in very liberally, they really suffered a loss.

Mr. Lambert.

585. You think the scheme of the Government, as mentioned by Mr. Brodrick in the House of Commons, must be supplemented?—In the lower ranks, certainly.

586. And this, I presume, can only be done by some such fund as the Patriotic Fund?—It only can be done really by a central fund.

587. Do you calculate at all that local effort will flow to the same degree as it has done in the past?—Well, I have never found that the public generosity is stemmed when it is moved as it has been in this war, and I will give you the instance of the Victoria Fund; they knew perfectly well that every widow got an allowance from the Greenwich Hospital Fund, but we could not stop the contributions; the Lord Mayor tried to but could not.

588. They have been stopped in the Transvaal War Fund?—I think not.

589. I thought you said just now local effort was dying out fast?—Ah, I misunderstood your question; certainly by the prolongation of the war, but I do not think that is what you call its being stopped by any notification of the State Pension Scheme.

590. Then you do not think the notification of the State Pension Scheme will have any effect on private generosity?—I would not like to go that length; I think it may have that effect; but judging from the immense philanthropic re-

Mr. Lambert—continued.

sources that there are, and the desire and intention to give, I think public philanthropy will answer liberally in the future, notwithstanding the State pensions.

591. You understand our reference confines us to widows and orphans?—That is so.

592. Can you tell what proportion of other dependents there are as comparing them with widows and orphans?—The only information is that which I have given you in this memorandum.

Chairman.

593. What we have in evidence is only as to widows and children?—Yes, but in the printed statement I have given you, you will see that opposite the Transvaal War Fund we have given allowances to 183 other dependents.

Mr. Lambert.

594. I want to know how many people will be left out in the cold—what percentage, roughly would be left out by the proposal which we are confined to by our reference?—I intended to convey in my answer to the Chairman that it passes the wit of man to say anything even approximately at the present moment, because the whole thing depends on who are entitled to State pensions. The Government have stretched exceedingly widely the regulations for the grant of separation allowance. They included in that Reservists, and they might marry the day before they embarked, Yeomen, Militia, Volunteers—all as being equivalent to being on the married establishment. Therefore, until we know exactly these numbers, it would be simply impossible even to make an estimate; I think it would be absolutely rash.

595. When do you think we will know?—We have now furnished the Government with a list up to about 2,000 of the widows, and they have returned us only 38 up to the present time.

Chairman.

596. Just before Mr. Kearley asks you any questions, is it the wish of the Patriotic Commissioners that that letter you gave to me should be handed in?—Very much the wish.

597. Will you kindly read it? It is from the Duke of Cambridge?—Yes, as President of the Royal Commission of the Patriotic Fund: “February 8th, 1900. Dear Mr. Balfour,—The duration of the war and the increasing list of casualties in South Africa make it evident that a vigorous effort must be made to provide for those who suffered in the service of the nation. I understand that His Majesty’s Government will submit to Parliament on its reassembling a scheme of State pensions for the widows and children of soldiers and sailors who have lost their lives on active service, and that it will be a feature of the proposal that the pensions so granted will be supplemented by the united efforts of private benevolence. This is a new departure, and Parliament will doubtless require to be assured that the administration of the public and private funds, which have been raised or will be raised for the relief of disabled soldiers and sailors or for pensions to widows and children, is organised on principles which will prevent overlapping and secure efficiency. I need not say to you

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Chairman—continued.

you how heartily the Patriotic Fund Commissioners will concur in proposals directed to this end, but I am afraid that the movement for bringing existing funds into correspondence and co-ordination has not progressed sufficiently to enable you to give a decisive answer to the questions which will be put. The Patriotic Fund Commissioners venture to hope that His Majesty's Government may themselves take up the question, and in that event I desire to say how anxious we are to co-operate with and assist you, and I can assure you that no question of our charter will stand in the way of measures which the Government may think desirable.—Yours sincerely, (signed) GEORGE."

Mr. Hayes Fisher.

598. I believe Mr. Alexander Finlaison was your actuary for a great number of years?—And his father before him.

599. He has recently died?—He died last year.

600. Who is now best acquainted with your funds as actuary?—We had an offer from the President and Council of the Institute of Actuaries, who of course learned of Mr. Finlaison's death, as he was a Past President of the Institute, and they patriotically offered to give us all the actuarial advice and assistance gratuitously that we might require, and we have placed the usual statistical information in their hands for the purpose of revaluation up to the 31st December, 1900, and they are at that work now.

Chairman.

601. We will get the name of the witness from the Society?—Yes.

Mr. Kearley.

602. With regard to the question of Mr. Lambert just now you stated that you supplied the War Department with a list of widows?—We are doing so.

603. But surely they supply you with the list first of all?—No, they have not got the information in the same form that we have, and that is necessary to enable them to introduce as promptly as they would wish the system of State Pensions, and they knew we had, and they applied to us and we are giving it.

604. Do I understand that when a man is killed in South Africa with orphans and a widow here you get information of it first before the War Department?—I do not say that, but to introduce State pensions requires a variety of information.

605. It has been stated in Parliament by Mr. Brodrick that they supply you immediately with a list of the widows?—Not a list; they notify each death separately.

606. Surely you are not the responsible authority for supplying the War Office with the number of widows in connection with the war in South Africa?—No, but it is an illustration of the advantage of a central body like ours that we are able to give more completely information necessary to bring in the State pensions than their own office, which has never dealt with State pensions before.

Mr. Kearley—continued.

607. I am questioning the statement that you are in a preferential position in any way to supply the War Office with information which must naturally go to them first?—The fact remains that they asked us for this information, which surely is a proof that it is a desirable thing to get it from us.

Chairman.

608. What you give to the War Office?—I will give a sample.

Mr. Kearley.

609. Will you tell us first what information does the War Office give you?—Simply the notification of the death of the soldier, and if they know it the address of the widow.

610. That is the first information that comes to you, I take it?—Not always.

611. Is that the information that sets your machinery in motion?—Not always.

612. Give me an exceptional case?—We get applications direct from the widow.

613. I do not think I need trouble about that; I will take it first from you that you supply the War Department with the information as to the widows in South Africa?—Yes.

614. And you also supply them with information, I understood you to say, when you can get it—you have not succeeded in getting it so far in a complete form—as to the number of those widows who are married off the strength, and are consequently not eligible for State pensions?—No, you have misunderstood me; we are giving them complete lists of all the widows—we do not know who are on the strength or off the strength.

615. Do I understand that the War Office and yourselves at the present moment are not acquainted with those widows who are ineligible for State pensions, because they do not know those who marry off the strength?—Of course the regimental records alone tell that.

616. Does the War Office know that, within your knowledge?—Certainly not; they must refer to the regimental district.

617. Do you suggest that reference is being made?—I know it is being made.

618. Do you suggest at the present moment the War Office do not know the widows ineligible for pensions?—I do.

Chairman.

619. They do know the widows on the strength?—No, they have to refer to the regimental district.

620. They can get that information?—Yes, and they are getting it.

Mr. Kearley.

621. The statement has been made that neither the War Office nor the Commissioners know at the present moment the widows ineligible?—I should say that is absolutely true. If you were to go to the War Office and ask them what widows were married on the strength and off the strength of any corps, they could not furnish you with a complete list, they could not tell you.

622. What is becoming of these widows in the meantime? Are they getting any money from the Patriotic Fund?—From the Patriotic, and very likely from the "Daily Telegraph."

623. None

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Mr. Kearley—continued.

623. None from the War Department?—None from the War Department yet; they are to bring in their pensions on the 1st July; they publicly announced that.

624. At the present moment are you giving pensions to widows married off the strength? Are you taking that responsibility?—We make no distinction between "on" or "off."

625. You have stated to the Committee that you have a system of establishing local committees to deal with the administration of funds—that is so?—I said that they were limited to certain naval and military centres at present.

626. And you do not claim that you have a system of local committees all over the country established?—Certainly not.

627. For how many years have you had these particular local committees established?—Only since the sitting of the Select Committee of the House of Commons in 1896, which made the recommendation specifically.

628. And then you appointed a few local committees—or rather they were appointed?—We took steps for their creation.

629. Now I will take one committee; you appealed to the Lord Lieutenant of Hampshire to appoint a committee?—Yes.

630. Are you aware that Lord Northbrook stated before the Collins' Committee that although that request was made to the Lord Lieutenant three years ago, the committee has never been called together?—The circumstances of Hampshire were peculiar, and when Lord Northbrook was called upon as Lord Lieutenant by His Royal Highness to form an association for Hampshire, it was pointed out to him that there would be nothing for anybody to do, unless it was appointed with a headquarters in a naval or military centre. Lord Northbrook did not adopt that view, and the result was that there was nothing for the Hampshire association to do, but in Portsmouth there has been plenty to do; we have relieved some 200 widows.

631. Take the Plymouth and Devonport committee; you have a long list of names here, many of which I know. Do you suggest those gentlemen ever met?—It is not within my knowledge how often they meet; that is a matter entirely for themselves to lay down for themselves.

632. You are not in touch with these local committees?—Certainly we are.

633. Then, surely, you would be in a position to say whether they met or not?—Certainly not, but the honorary secretary, Colonel Swiney, I am in constant communication with, and he deals with the matters locally as they think fit. We do not interfere with the local work.

634. You are not prepared to deny the fact that these committees do not meet?—Or to affirm; I know nothing whatever about it.

635. They are merely ornamental committees at present?—I would not say that, because we get reports from them—especially with regard to the Russian War widows, who, as you know, are very numerous in Devonport, Plymouth, and Stonehouse, between 200 and 300.

636. Surely, the Transvaal War is more important at the moment than Russian War widows?—Not as regards Plymouth; there are very few there.

637. As regards the Leeds committee, there is

Mr. Kearley—continued.

a committee here with many important names in Leeds and neighbourhood; has that ever met?—Certainly.

638. I have the authority of one gentleman on that committee, Sir James Kitson, to say that he has no knowledge how he became appointed a member, and he has never heard of it although he sees his name in print; he has never been summoned to attend it at any time?—All I can say is that we communicated with the Lord Mayor of Leeds as to the creation of the committee, and we got those names as the names of the members who had been appointed and who had accepted positions upon it.

639. In future you have stated that you are prepared to accept the recommendations of Lord Derby's Committee. Do you propose that these local bodies shall have entrusted to them the administration of funds at present in the hands of the Royal Patriotic Commissioners?—You apparently have not read the report quite carefully; you will see there is a distinct line there which says that as regards the central funds the control and administration of their funds must necessarily be left with the central body.

640. And you propose to continue the present method. I understood the Chairman to ask you a question on that?—We cannot relieve ourselves, we are a statutory body under responsibilities, and until we are relieved by the State of those responsibilities we cannot relieve ourselves.

641. In that letter you have just read from the Duke of Cambridge it is stated that you will not allow your charter to stand in the way of any reform that might be suggested by this body or any other?—Certainly, the Duke of Cambridge has formally placed the Patriotic Fund Commission in the hands of the Government of the day for the very purpose of doing what they will.

642. Assuming this Committee or any other body came to the decision that decentralisation should be the order of the day in the administration of these funds, would you entrust to these local committees then, having abrogated your charter, the administration of the funds you at present control?—The views of the Patriotic Fund Commissioners were given in a couple of lines of the Report by Lord Davey, which appears in the appendix to the last Report, that the Patriotic Fund Commissioners would work through any local committees governed by a central authoritative body.

643. I want to make perfectly clear what the feeling of the Patriotic Commission is on this matter. Will you delegate to them the administration of your funds in particular localities, or do you simply wish them to collect information and pass it through to you, you being the court of appeal and the final arbiter as to the sums of money to be given, and so on?—That is a matter that I think you will as a business man appreciate is a matter of development. How can you tell how a scheme which has only taken one step forward just now will work in regard to such an important matter as the administration of funds?

644-5. Then the Patriotic Commission have come to no determination on this matter at all?—No one could.

646. You

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[Continued.]

Mr. Kearley—continued.

646. You state that at the present moment you are working in friendly accord with the local committees existing outside your Committee—in full accord and without friction?—Certainly.

647. Have you had any correspondence with the Birmingham Committee?—I do not know what is the Birmingham Committee you refer to.

648. I will read you a resolution that was carried at a public meeting in Birmingham in January last, with the Lord Mayor presiding, and that will perhaps call to your mind the Birmingham Committee to which I am referring: "That this meeting indignantly protests against the action of the Royal Commissioners of the Patriotic Fund in withdrawing at a short notice all annuities made to Birmingham widows without in any way consulting the managers of the local funds or even taking steps to become acquainted with the position of the Birmingham funds, and this Committee trusts that the Commissioners will instruct their Secretary, Colonel Young, to act in a spirit of co-operation with local funds, a policy which has hitherto been avoided." Do you still claim you are working with local committees without friction?—We are working through our own local committee and our honorary secretary at Birmingham.

649. In Birmingham you are not working in friendly accord with the local people?—That is a newspaper fund.

650. It is a local committee?—Not in the sense of any of the other local committees; it is purely a newspaper fund, the Birmingham "Daily Mail" Fund.

651. Do I understand that if a fund is collected by a newspaper you do not regard it as being under the control of any local committee?—Certainly we do, and we work through our local secretary who is on this "Daily Mail" Fund, and therefore we do work in accord with it.

652. How do you account for this resolution?—I think there was a little heat and a very great deal of misunderstanding and erroneous assumption, and when men act in haste they come to erroneous conclusions.

653. Have you worked in accord with the "Daily Telegraph" Fund?—Certainly.

654. In friendly accord?—Certainly.

655. It would not be correct to say that they have applied to you for information and have been able to get none from you whatever?—They have hardly ever applied to me for information, but I have continually applied for information to them and they have granted it.

656. Are you aware that Mr. Richardson, the manager of their fund, stated before the Collins' Committee that he applied to you for information and could get none?—Well, it is rather a general statement of Mr. Richardson's; it is again a newspaper fund and they are very difficult to deal with.

657. Now as regards the various Acts of Parliament to which you have referred, you stated that there have been many Acts of Parliament passed dealing with the powers the Patriotic Commissioners enjoy?—Yes.

658. The Act of 1881 extended your powers largely, did it not?—Yes.

659. Would it be correct to say that it gave you powers "to apply the Patriotic Fund and the

Mr. Kearley—continued.

income and accumulations thereof . . . for the benefit of the widows and children of officers and men of Her Majesty's Military and Naval Forces," and that it also extended your powers to all other funds that you then had in hand which are scheduled in the Act, so that you might extend them beyond the original conditions laid down, and that it also gave you power to extend the administration of any other funds that might come into your hands thereafter for the benefit of widows and orphans and other dependents; is that a fair rendering of what took place under that Act?—Leaving out the word "you" it is fair; it gives the authority, but, as you know very well, a supplementary Commission is required to give effect to the Act, so far as placing the responsibility on the Patriotic Fund Commissioners is concerned.

660. I will come to that presently; but, as a matter of fact, the Act of 1881 extended your powers so that you could administer the balances of funds then in hand or any funds you became possessed of thereafter for the benefit of the widows and orphans and dependent relatives?—When we received the supplementary Commission.

661. You secured that supplementary Commission in 1897?—Yes.

662. After a Parliamentary Inquiry?—We applied before for it. There is a great deal in that.

663. Do you want me to go into that?—I do not, but I do not shirk it.

664. I will not trouble you with it. At any rate, the power given to you in 1881 was not exercised until 1897?—Because we did not have it.

665. I say that the power given to you in 1881 was not exercised until 1897?—Because we did not have it.

666. Surely you had the power under the Act of 1881?—Certainly not; we could not act until we got the supplementary Commission.

667. I will read you Clause 4 of the Act of 1881: "It shall be lawful for Her Majesty from time to time by supplemental Commission under Her Royal Sign Manual to direct the Commissioners of the Patriotic Fund to apply the Patriotic Fund and the income and accumulations thereof," and so on?—In 1890 we applied; we had no money to divide until 1890.

Mr. Bartley.

668. Do I understand that you had no funds available until 1890?—No adequate funds.

669. As soon as you had funds you did apply?—Undoubtedly.

Mr. Kearley.

670. I am leading up to that. We shall be able to have the actuarial value of the capital sums of these various funds you administer?—They are in course of preparation.

671. Could we have them filled in by next time against the statement you have presented to us?—I cannot say that, for the simple reason that I do not know how soon the Institute of Actuaries will report. I have asked them to do it as quickly as possible, and they are very sensible of the public importance of it, because of the doubts that have been thrown on the actuarial valuation,

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[Continued.]

Mr. Kearley—continued.

valuation, and they have asked me for certain additional information, which is very voluminous indeed.

Chairman.

672. Will it help you if we tell you that the Committee will be particularly obliged if we could have them as soon as possible?—Yes, I should like to be strengthened by the request of the Committee.

Mr. Kearley.

673. I understood you to say that the Mansion House Fund was collected at the instance of the Patriotic Fund Commissioners?—That is so.

674. Of the sum collected, which was almost 1,200,000*l.*, only 420,000*l.*, approximately, has come your way?—I do not know why you say only; it is a very fine sum.

675. I say a sum of 420,000*l.*: you agree with that?—Certainly.

676. Was the division of this fund made by the Lord Mayor on his own responsibility?—I am rather glad you have asked me that, because when I took this letter of His Royal Highness the Duke of Cambridge to the Lord Mayor we had a conversation in regard to opening this fund and as to how it should be opened, and I asked him if he would allow me—in order to show that the Patriotic Fund Commissioners knew that there were other claimants in connection with the war for whose relief they were not responsible—to frame the scheme for the Mansion House Fund; and I drafted the letter of the Lord Mayor down to the words which included all these different categories of assistance for which the fund was to be opened; all the rest of it is the Lord Mayor's own. When Lord Justice Collins' Committee was in existence, I went to the Mansion House and asked if there was any objection that I should state this.

Chairman.

677. What letter are you referring to?—The letter that I handed to your Lordship a little while ago is the basis on which the Lord Mayor's Fund was appealed for from the public, and I was permitted by the Lord Mayor to draft the scheme which resulted in the Transvaal War Fund, which appealed not merely for widows, orphans, and other dependents, but for sick and wounded, for wives and families, and for disabled soldiers.

Mr. Kearley.

678. The amount subscribed for widows to the Mansion House by the public is much smaller than the amount subscribed in the Crimean War, I understand?—Certainly; but in the Crimean War you must recollect that the Royal Commission of October, 1854, governed a whole network of committees throughout the whole length and breadth of the land, and these committees sent the whole of their contributions in without keeping them and expending them locally.

679. As to this pledge you gave the Lord Mayor at the time, you there pledge yourself to a much higher rate of pension out of this War Fund than you have been giving out of the funds you are administering with reference to other

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Mr. Kearley—continued.

disasters and wars?—The Commissioners pledged themselves to the general principle as far as funds would allow.

680. You say that you consider 5*s.* a week inadequate?—Certainly, it is inadequate.

681. You have not acted in that spirit with funds that you have been administering for years, have you?—Certainly.

682. You have considered 5*s.* inadequate, and have given more?—Certainly—the Victoria Fund to wit.

683. But there are many other funds you administer in connection with which, until quite recently, you were not giving 5*s.*, or as much?—You know well that our hands were tied by the trust deeds to give according to the scheduled rates that the committees who raised the funds insisted that we should pay, and no more and no less.

684. When I come to the funds in detail we will perhaps discuss the question of schedules. You say that you do not regard a pension as the right of a widow?—Are you referring to the allowances?

685. To all pensions. You do not regard the pension that you allot to a widow as her right and entitlement; it is grantable and withdrawable on your option?—Certainly, being raised by philanthropic aid.

686. That is the theory of every pension that the Government gives, and in the ordinary way if the public subscribes a sum of money to be given to widows, you would not consider it within your powers that you should withdraw this pension without some very substantial reason, I take it?—That is quite true; no one would withdraw it, it is the very object of the Commission to secure it to the last day of the life of the woman, unless she is undeserving.

687. As to the pensions you are giving for the Transvaal War, you say at present they are merely provisional, and that when the overlapping ceases, you would increase them to 7*s.* for the widow and 2*s.* for each child?—We shall increase them, endeavouring to carry out the pledge we gave to the Lord Mayor to place the widow in something like the circumstances she enjoyed at the time of her husband's death.

688. Can we take 7*s.* as representing the minimum figure?—We have accorded with the Mansion House to that effect, but if you will read the Mansion House Report, you will see that there are words added to interpret what that means, that that is in ordinary course only, and that there may be cases in which we give nothing at all.

689. You said a great deal about overlapping, and I may remind you that the question of overlapping was very exhaustively enquired into by the Collins' Committee; you will agree with that?—I do not know that I do.

690. You gave evidence before that Committee?—I did.

691. And you are, of course, perfectly well acquainted with the Report?—I am.

692. In this Report of the Collins' Committee the question of overlapping is rather exhaustively dealt with, and it states in the Report: "It will be seen that the area of possible overlapping among these central funds is principally in the domain of those that deal with widows."

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[Continued.]

Mr. Kearley—continued.

You were referring to the overlapping of funds dealing with widows?—Certainly.

693. And the funds nominated are "The Patriotic Fund, the 'Daily Telegraph' Fund, and until recently, the Imperial War Fund." The Imperial War Fund I understand is exhausted, or is all allocated?—I think it is dead.

694. The area of the overlapping, if the Collins' Committee were correctly informed, is confined to the "Telegraph" Fund and your own fund?—Certainly not, it is widespread by the local funds.

695. The local funds administering to widows?—They give to all.

696. Do I understand you to say that there are local funds at the present moment who are pensioning widows on a proper basis?—Not pensioning, but they are giving grants—not so much now, I think.

697. You have distinctly stated that a certain course will be followed "when overlapping ceases," and I put it to you that all overlapping has ceased?—I say it has not.

698. Do you maintain that there is much of it left?—No, it is diminishing, and I hope it will absolutely disappear before long.

699. It practically has disappeared?—Not yet.

700. Are you taking into consideration in connection with this Transvaal War Fund the percentage of widows who may re-marry? You have plenty of data, I believe, from your Patriotic Fund administration to acquaint you with the fact that a great number of these widows will re-marry?—The question of re-marriage is not to be governed altogether by even the law of average.

701. But it will make a great difference to this fund?—Of course; anybody who has any experience of the administration of widows and orphans' funds knows that, to take it roughly, 50 per cent. re-marry.

702. In the Patriotic Fund it was more—64 per cent.?—Yes, but I put it at figures that can be maintained; the Zulu War Fund was worse in that respect, if I may say so, or better.

703. Dealing with the funds you administer, I propose to go through them one by one, and that will bring us down to their present position. Taking first of all the Patriotic Fund, the history of that you have stated to the Committee. That fund was originally subscribed for the benefit of widows, orphans and dependent relatives of those who fell in the Crimean War?—Widows and orphans only.

704. No dependents?—No dependents.

705. You have existing in the shape of permanent endowments and nominations a large sum of money of the original capital subscribed, quite separate and apart from that shown in your statement under the various headings—the Patriotic Russian War Fund, Patriotic General Fund, and Patriotic Army Fund.

706. I want to make it clear to the Committee that with reference to these sums of money that represent permanent educational endowments, for example, those bracketed together, as stated in the note: "The incomes of these trust funds are paid direct to the governing bodies of the several institutions." That is one lot of them, and another lot, the Roman Catholic Orphan Fund 35,504*l.*, and the Royal Victoria Asylum

Mr. Kearley—continued.

Endowment Fund 157,274*l.* 15*s.*, were deviated or diverted from the original sum collected for the Crimean widows and orphans?—They were applied under the proper authority to these objects; they were not deviated—that is a strong word.

707. I merely want you to answer the questions; those sums of money came from the original collection for the Crimean War widows and orphans?—It is stated so, yes.

708. It is not stated so at all. Until 1896 there was only one Patriotic Fund in existence, and it was called the Patriotic Fund?—That is so.

709. And then in consequence of the large surpluses which were not being expended the surpluses were passed away into another fund, which you called the Patriotic General Fund?—In accordance with the directions of the Patriotic Fund Act of 1881, which directs that these shall be treated as if they were part and parcel of the Patriotic Fund. We were therefore bound to maintain the name.

710. May I take it that there were large available surpluses for many years that were not utilised for the benefit of widows and orphans?—You may not take any such thing.

711. Then I shall have to trouble you with a few details?—I only wish to save the Committee. I am perfectly ready, I do not shirk anything, but is not this ancient history, my Lord, going outside the reference?

712. If you say you do not admit the fact I will direct your attention to 1889: was not the surplus then certified by the actuary 107,000*l.*?—Yes. I think in that year we applied 65,000*l.* of it in restoring the allowances to widows who had re-married and become widows again. That involved a liability of 65,000*l.*

713. That was not the year at all; it was later—in 1891?—It was in 1889 that we commenced to do that; we had to consult the actuary first.

714. But it came into effect in 1891. Take 1894, there was a divisible surplus then of 74,000*l.*?—Very likely.

715. In 1896 there was a divisible surplus of 108,000*l.*?—But you know we had not the power to apply it.

Mr. Bartley.] It would help us if you would get from the witness what you mean by surplus.

Mr. Kearley.] The surplus certified by the actuary to be available, he having taken into consideration all the liabilities contingent and present.

Mr. Bartley.] That is to say after carrying out the Act absolutely there was that money over—after allowing every beneficiary the full amount he was entitled to.

Mr. Kearley.] Exactly; the available surplus he calls it.

Mr. Bartley.

716. (To the Witness.) Is that so?—That is hardly so; the Commissioners adopted a certain scale of relief as adequate.

717. Not by statute?—Not by statute at all. They referred to the actuary the number and ages of the recipients of those benefits with the allowance payable to each, and the actuary valued these

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[Continued.]

Mr. Bartley—continued.

these in an actuarial way, which, of course, is an expert professional method. We gave to the actuary the securities which had been allocated to meet these liabilities. The value of the assets on the one hand being the securities and the liabilities being the annuities payable to the recipients, when balanced there was a surplus and that surplus is the surplus to which Mr. Kearley refers.

Mr. Kearley.

718. That was the available surplus?—Yes, and that is how it arose; it was not by statute, and I wanted to put that right.

719. These surpluses being shown by the actuary year after year you took no steps to increase the pensions to the widows till 1894; you continued to give the Crimean widows a pension of 5s. a week with 1s. 6d. per child until 1894?—I think it was in 1891. I did not know that I was to go into ancient history; you yourself told me I should not have to do it, and I did not bring down all my books, and I cannot very well speak from memory. I know that I became Secretary in 1887, and it was in 1888 that the first question of application of surplus came up as far as I know.

720. I do not want to labour this point; I want to make it clear how the general fund was established out of the Crimean War Fund. In 1897 you established the general fund?—On receiving a supplemental Commission which enabled us to do it.

721. That general fund was created from the surpluses of the Crimean War Fund; that is what I want to make clear?—That is so.

722. You have given us the amount of the general fund?—It is 165,523l. 9s. 1d. at present.

723. That applies entirely to surpluses carried forward from the Crimean War Fund?—No, from the surpluses from every fund scheduled in the Act of 1881.

724. Carried into it?—Carried into it.

725. What are those funds?—All of them; as you quoted just now, it gave us the power to deal with all surpluses on the same principle.

726. I understand the Patriotic General Fund now comprises surpluses carried from other funds; that has taken place since your last report?—No, in our last report we alluded to it.

727. You give no figures in your last report?—No, because it was not an accomplished fact.

728. Am I right in saying that, so far as we have public knowledge, in your reports presented to Parliament there has not been allocated to the Patriotic General Fund any surplus except that arising from the Patriotic Crimean Fund?—I think you will find a reference to it on page 11 of the last report: "We have had the pleasure to receive, through the Secretary of State for War, Your Majesty's Supplementary Commission, dated 28th December, 1899, consequent upon the passing of Patriotic Fund Act, 1899, enabling us to deal effectively, as we have desired, with the surpluses of all funds under our administration, after providing for the special trusts for each fund. We have accordingly directed the available surpluses of the 'Captain,' 'Eurydice,' and Zulu War Funds to be applied in relief in accordance with Your Majesty's commands."

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Mr. Kearley—continued.

729. They had not been applied at that time; they have been applied since?—28th December, 1899, was the date of the Commission which enabled us to do it effectively.

730. If you turn to the amount of the General Patriotic Fund in that year, 135,500l. is the actuarial valuation, and there is not included in that any of those surpluses?—Certainly not; it has now grown to 165,000l. through the transfer of the surpluses you refer to.

731. You say that that General Fund is dealing with Crimean widows; would you explain to the Committee exactly what those widows are? I know, of course, that they are not Crimean widows at all, but perhaps the Committee would like to know that exactly?—They are the widows married prior to the Treaty of Peace, which terminated the war with Russia in 1854 and 1856, of non-commissioned and petty officers, sailors, soldiers, and marines, who served in that war, but whose deaths were not due to service in the war, which was the limitation placed by Parliament in 1867 upon the application of the Patriotic Fund by the Commissioners.

732. The old Patriotic Fund, if I may so call it, until the establishment of the General Fund, dealt mainly, I may say entirely, with the widows of those men who were killed in the war, or died through it?—"Who died by service in the war," was the Parliamentary direction.

733. When you took away the surplus and started the General Fund, then you began to pay pension to widows of men who served in the Crimean War, who, of course, were not killed but died in recent years. These were very old ladies?—Very old, some of them.

734. They were the widows of men who served in the war; I think I make that clear to the Committee?—It is perfectly clear.

Mr. Bartley.

735. But they were widows?—Certainly, they were widows, and very estimable ladies, too.

Mr. Kearley.

736. They were not widows contemplated at the time of the original collection?—I think, if I understand the honourable Member rightly, they are not people included in the purview of the Royal Commission of 7th October, 1854, which expressly stated that the funds were raised for the widows and orphans of those who actually died in the war.

Chairman.

737. The change made was to make payments to the widows of any persons who had served in the war?—Yes. The Patriotic Fund Commissioners recognised that before they applied the funds to any later war or any later cases, surely they ought to apply it to the widows of those who served in the war in connection with which the funds were raised.

Mr. Kearley.

738. The money out of which these pensions are raised to these old widows was originally subscribed for the benefit of widows and orphans of those who died or were killed in the Crimean War?—Yes, the words of the Commission are clear.

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739. Can

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Mr. Kearley—continued.

739. Can you give us any information as to the ages of the beneficiaries remaining upon these funds, the Crimean Fund and the General Fund? Can you give any idea about the ages?—Of those we are putting on the Patriotic Fund just now, over 50 per cent. are above 75 years of age, and they go up to 90.

740. And consequently the expectation is that the remaining widows on the first fund, the Crimean War Fund, and on the General Fund, will very soon disappear?—Well, I do not think that it will turn out so; pensions prolong life remarkably, and the women do not die off any quicker than the actuaries anticipate.

741. But they do diminish every year?—Very little; so little that it is not worth while considering.

742. The expectation of life of a woman between 70 and 80 is not great?—Certainly not.

743. With regard to the General Fund, you have been spending until last year—I do not know what you have done since—the interest of the fund?—And the capital last year.

744. You have only just commenced to spend the capital?—No, the year before; it was shown clearly in the report.

745. The income of the Patriotic General Surplus Fund amounted to 9,553*l.*, out of which you spent only 8,633*l.*?—I think that was in the first year.

746. The first three years down to 1899?—In 1899 you will find an excess of expenditure over income of 612*l.* 4*s.* 11*d.*

747. In 1898 the income was 3,364*l.*?—And we spent 3,800*l.*, which is over the income; there is the cost of management, and you cannot get that out of nothing; so that in 1898, the very first year, the expenditure commenced to exceed the income.

748. For the three years, I think from your Report, the total income was 9,553*l.*, and the total paid to widows 8,633*l.*?—I do not see where the point comes in if you aggregate in that way and do not recognise the fact that in six months the income was exceeded.

749. The point was this, from your own statement, when this sum was originally laid on one side, you intended to spend the income only: now you have altered that, I understand?—Advisedly.—

750. I only want to know the fact; you have altered it, and are now spending more than the income; you are spending the capital?—We always intended to.

751. It was not stated by you previously?—No, because we had not gauged the applicants on the fund.

752. You are spending the capital now?—Very largely.

753. You have told us that the Patriotic (General) Fund is composed of surpluses from the original Patriotic Fund and from other funds, the "Eurydice," "Captain," Zulu War Fund, and so on. I hope it is made clear to the Committee that this fund is now being utilised for the widows of men who served in the Crimea?—That is so.

754. Can you give me the amounts that have

Mr. Kearley—continued.

been transferred from the other funds, say, for instance, the "Captain" Fund, the "Eurydice" Fund, and the Zulu War Fund, to this general fund?—You will find the amount transferred from the "Captain" Relief Fund in the statement of accounts for this year under the heading "Captain Relief Fund." The items commence under the heading of "Payments" on the 1st January, 1900, Metropolitan Consolidated Stock, and the four subsequent entries.

755. What is the actuarial value of those items?—15,000*l.*

756. Now, will you tell us the amount which has been transferred from the "Eurydice" Fund?—It is on the next page, 3,000*l.*

757. Is that the actuarial value?—Yes.

758. As regards this general fund, are the probabilities that it will go on increasing?—I should say decreasing fast.

759. The general fund?—Certainly.

760. Will there not be surpluses handed over from various other funds?—There might be so, but the claimants connected with the Russian War alone are an unknown quantity, because we have not exhausted the old sailors and soldiers yet who served in that war.

761. Will you tell us why you think it will decrease?—Because of the numbers that are unrelieved that we know of already.

762. The widows?—The Russian War widows, the same category we are placing on just now amount to some hundreds, and the old sailor and soldier who served with honour, if I may say so, in the Russian War is still surviving to a considerable number, and his widow will have a claim.

763. Is he going to be a charge on this general fund?—Certainly. The Commissioners have decided, and I say that in the clearest manner, that widows of the Russian War service sailors, soldiers, and marines have a prior claim on the fund subscribed in connection with the Russian War before anyone else comes on.

764. I understand that the surplus from the "Captain" Fund and these other funds will continue to be paid into this fund?—Yes.

765. Which was for a different set of sufferers altogether?—Not necessarily a different set of sufferers.

766. Those connected with the Russian War will derive benefit from a fund subscribed for the sufferers by the "Captain" disaster?—No, because the Commissioners have allotted the surpluses to a certain extent; there will not be a single Russian War widow as they are advised at present upon the surplus of the "Captain," the "Eurydice," or the Zulu War Fund.

767. Why do you lump them up in this general fund?—Because we are ordered by Parliament in the Act of 1881 to do so. We have had advice on this subject.

Chairman.

768. If they do not go to Russian widows, what becomes of them?—They are applied to general cases.

769. Not

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[Continued.]

Chairman—continued.

769. Not "Captain" cases?—Yes, "Captain" cases.

770. They are not general cases if they are "Captain" cases?—Yes, they are general in this sense, that the claim that they have is in consequence of one of those who went down in the "Captain" leaving some dependent relative in necessitous circumstances, and we, therefore, give those a prior claim in the same way as we give the Russian War widows. Mr. Kearley himself brought many witnesses in 1895 and 1896, aged mothers of those who went down in the "Captain"; and acting on the same ruling principle, followed by the Commissioners in placing Russian War widows on the surplus of the Russian War Fund, they are placing dependent relatives with priority of claim on the "Captain" Fund.

Mr. Kearley.

771. I think we ought to have this made quite clear. The surpluses are being deviated from the funds subscribed for a particular set of sufferers, many of whom are now alive; those surpluses are being deviated to the Patriotic General Fund, and I understand that you will go on handing over the surpluses from the "Captain" Fund, the "Eurydice" Fund, and the Zulu War Fund to this Patriotic General Fund: that is what you have told us you will do?—In accordance with the directions of Parliament.

Chairman.

772. What statute authorised this to be done?—Section 4 of the Patriotic Fund Act of 1881. It is given effect to by Commissions of the 3rd April, 1897, and 27th December, 1899.

773. The statute of 1881 gave you power to do that which you are now doing?—Yes.

Mr. Kearley.

774. You say that the Supplemental Commission gives you power to deviate these surpluses?—Most certainly.

775. Not to increase the pensions to the present beneficiaries of these particular funds?—The Commissioners could do either.

776. But they elect not to?—They elect not to.

777. You consider that the pensions that are being given to existing beneficiaries on the "Captain" Fund are adequate and ought not to be augmented?—Certainly.

778. You told us earlier to-day that the Patriotic Commissioners had come to the decision that 7s. a week was an ordinary pension for a widow and 2s. for a child; I put it to you that none of these beneficiaries on the "Captain" and other funds are receiving 7s. a week?—I put it to you that they are.

779. If they reach a certain age?—No, we have the power and we do supplement the pensions with temporary allowances to meet their special necessities.

780. Is this the present pension scale of the "Captain" widows, 6s. for an ordinary widow, and she does not get more until she arrives at 60 years of age, when she gets 8s.?—Yes, if she requires it she does.

Mr. Kearley—continued.

781. What do you mean by "if she requires it"?—If her circumstances demand it she does; we should give extra allowances.

782. You have no fixed scale of pensions?—It is a general fixed scale, but subject to supplement by other allowances according to circumstances.

783. This pension is a varying quantity altogether?—Undoubtedly; the Commissioners are there for the very purpose of varying fixed scales.

784. You have no fixed scale for the Patriotic widows surviving?—The general fund?

785. Yes?—Certainly not.

786. No, not the general fund—the Crimean Fund?—Of course, we have a fixed scale.

787. Is that variable according to the circumstances?—We have not found any circumstances yet to vary it except in one or two solitary instances; it goes up to 10s. or 11s. a week, as you know.

788. This general fund is to be used for miscellaneous purposes, not merely to pension widows from the Crimea, but from any other cause?—The direction of Parliament to the Commission is of the widest character.

789. Will you tell us what are the exact terms of the Supplemental Commission?—For the benefit of widows and orphans and other dependents of officers and men of Her Majesty's Navy and Army.

790. That is general?—Absolutely, it is as wide as it could be.

Mr. Bartley.

791. But I gather from your evidence that in all cases out of the special fund you relieve persons in any way even incidentally connected with that fund as a prior claim?—The Commissioners consider that until the class is exhausted of widows of men who served in the war and were married at the time of the war, they cannot honourably go to any other class in applying the surplus of the Patriotic Russian War Fund.

792. With regard to the "Captain," the "Eurydice," and other funds, you use any surplus, even after you have paid the balance over to this other fund, first of all in relieving anybody you can in any way connected with those disasters?—They have absolutely a prior claim.

793. It is a first claim upon this extra fund created by the surpluses?—Undoubtedly. May I illustrate it shortly. We have a record in the earliest days of the "Captain" and the "Eurydice" Funds of dependent relatives. The policy of the Committee of that day was to liquidate their claims by a lump sum. The Commissioners' experience is that lump sums are a most mischievous manner of applying funds, and they recognise, taking the case of a mother who lost her son in such a disaster as the "Captain," that even although her claim was liquidated theoretically you may say by the Committee of that day, that does not absolve them from the responsibility of keeping her out of necessitous circumstances, if she is in necessitous circumstances, by applying the surplus of the "Captain" Fund carried to the general fund account.

794. Let

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[Continued.]

Mr. Kearley.

794. Let me take the "Captain" Fund, from which you have been handing over surpluses to the general fund. The number of widows has been diminishing, and they are now down to 82; they may be less this year, but in the last report there were 82 widows, and no further dependents whatever. Do I understand you to say that notwithstanding that you have the "Captain" Fund for a particular set of "Captain" sufferers alive, you are going to relieve somebody that has some connection with the "Captain" from this surplus after it has been transferred to the General Patriotic Fund?—Most undoubtedly, if their case is brought before the Commissioners.

795. Why do you not relieve them out of the "Captain" Fund proper, before transferring the surplus?—Because, as you know perhaps better than any other member of this Committee, the "Captain" Fund Committee that placed the fund at our disposal, limited our payments to the people scheduled in the deed.

796. Excuse me, under the Act of 1881 you had most general powers given to you to administer the "Captain" Fund absolutely in accordance with the supplemental Commission which you now have; it is scheduled here.

Chairman.

797. Why do you say this fund will decrease and not increase?—If you had allowed me to put in that statement it would have shown the words that are authoritative.

798. Keep to the "Captain" Fund, which Mr. Kearley takes as a concrete instance. As the widows of the "Captain" Fund fall off why will that 6,000*l.* not become a greater sum?—I am not prepared to say, as regards the "Captain" Fund, a small amount relatively to the Patriotic General Fund, that that will not go on increasing.

Mr. Kearley.

799. You said a little while ago it would not go on increasing?—I said distinctly the Russian War Fund.

800. If you admit it on the "Captain" Fund, I ask you the same question as regards the "Eurydice" Fund; there you have transferred unexpended balances to this general fund; I ask you again what is there to prevent surpluses accruing again on the "Eurydice" Fund going into the general fund?—I will tell you what will prevent it. If the Patriotic Fund Commissioners choose to entertain many out of the hundreds of applications they get from the widows of sailors and marines not provided for by Greenwich Hospital or any other fund, and they are deserving cases, it certainly will not allow anything for future application.

801. I ask you about the "Eurydice" Fund the same question as about the "Captain" Fund. You have admitted that the "Captain" Fund will continue to show surpluses, and that those surpluses, under the practice you are carrying out now, will be added to this general fund?—You put into my mouth words I did not use; I said "may" not "will."

Chairman.

802. Probably will?—I am not prepared even to go that length, my Lord, and I do not want to fence with questions. I want to bring to the cognizance of this Committee the administrative principles of the Commissioners.

803. It occurs to some of us that with a certain number of widows on the "Captain" Fund in your books, year by year human life failing, those widows will decrease in number?—That is so.

804. Will not that increase the surplus that will be at the disposal of the "Captain" Fund to go to the Royal Patriotic General Fund?—That absolutely is so, my Lord, but that is not what Mr. Kearley is asking.

805. I think Mr. Kearley did ask that?—If that is so then I apologise entirely. Certainly, it must be so.

806. Mr. Kearley now asks why will not that same rule apply to the "Eurydice"?—That same rule will apply to the "Eurydice."

Mr. Kearley.

807. Will the same rule apply to the Zulu War Fund?—Yes.

808. That disposes of the three funds from which you have taken surplus balances up to the present time, and added them to the general fund?—Certainly.

809. Now, I want to ask you about other funds that apparently at this moment you have not taken over the balances from. Take the "Rodriguez" Fund; that was a fund formed by a bequest by a gentleman of the name of Rodriguez; the original amount handed over was 7,400*l.*, and according to your statement to-day it amounts to 16,209*l.* That is the face value?—Yes.

810. This fund is available for widows and orphans?—Certainly.

811. And you are not working it at all practically?—Pardon me; pray give attention to the statements which are placed before you.

812. The whole of that 16,000*l.* is available to-day, is it not?—Yes, perfectly.

Chairman.

813. Does the "Rodríguez" Fund now have claims upon it from certain recipients?—It has.

814. How far is the 16,000*l.* chargeable with those claims, because I understand the balance may go to the Royal Patriotic Fund, but the "Rodriguez" claims must be satisfied first?—Certainly; but I would like, so as not to have a long discussion, to say at once, my Lord, that that fund is absolutely applicable to the purposes that this Committee is appointed to consider—to supplement Government pensions.

815. The whole of it?—The whole of it.

Mr. Kearley.

816. There is another fund which was left to you by a gentleman of the name of Zervudachi; that fund originally was 1,300*l.*, and now, according to your statement, that stands at 1,831*l.*; is that

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[Continued.]

Mr. Kearley—continued.

that available?—It is certainly available, exactly on the same lines as the “Rodriguez.”

Chairman.

817. Will you please take your list and tell us which of the funds are available in the same way?—I will give them at once. Mr. Kearley has settled the question as regards the “Rodriguez,” the “Captain,” the “Eurydice,” the Zulu, and the “Zervudachi” Funds. The others that can be applied are generally in this way—the surplus, if any, beyond what is necessary to liquidate what the Commissioners considered is adequate relief according to the original terms, will be applied, but they will be limited in extent certainly in the case of the “Atalanta” Fund, which has further liabilities to be liquidated, and I do not think you can look for anything from that. It is also small in amount. The Soldiers’ Effects Fund, subject to the liabilities placed upon it and in an increasing volume, will be available. The Ashantee War Fund has liabilities upon it which lead me to say that I do not think you can have any hope that there will be any money coming from that. The County of Forfar Fund you cannot look to, because it is under a special arrangement with the County of Forfar, and they may put on any amount of widows in the future according to the funds available. The Victoria Fund will certainly have a surplus available. The Indian Army (Europeans’) Effects Fund will not have anything available, because it is under terms with the Government of India which refer to about 4,000*l.* of the total put down in the statement, and of which the interest only can be applied. Lastly, the Transvaal War Fund is in a transitional condition.

Mr. Kearley.

818. There is one very large fund I would like to ask a question about, the Soldiers’ Effects Fund. That was formed from the unclaimed balances of soldiers’ effects transferred by the War Office to the Patriotic Fund Commissioners from time to time under the Regimental Debts Act, 1863?—That is right; the Regimental Debts Act now is one of 1893, the former Acts having been repealed.

819. The charges on this fund up to date have been very small, have they not?—The War Office, by its instructions in forwarding the Royal Warrant for the administration of the fund, limited the application of the fund to the first of three categories, whom they described in the Royal Warrant as “eligible.”

820. I do not think I need trouble you for that in detail?—It is of great importance.

820*. I put it to you generally that the expenditure down to the present moment has not been large, the income considered; for example, the income has never been expended?—By reason of the limitations placed upon the Patriotic Fund Commissioners by the Secretary of State for War.

821. The limitations have disappeared now, I take it?—And the result is very different.

Mr. Kearley—continued.

822. Then the fund will be available. Originally, when handed over to you, it was 44,000*l.*, and it now amounts to 161,000*l.*?—I have just stated to the Chairman that it would be available, subject to the charges upon it, but the charges upon it have increased during the last nine months, owing to the freedom in applying it the Secretary of State for War has placed upon it. The annual expenditure has risen to 8,200*l.* at the present time. I am trying to abbreviate the information for the Committee so as to lead them to understand the financial position. There is 8,200*l.* per annum being expended from that fund now.

823. You are supplementing the information you have handed in?—Yes.

Chairman.

824. As the war comes to an end, I suppose, the receipts would almost cease: what would be the probable increase of the fund from soldiers’ effects?—I am glad you have asked me that, my Lord, because certainly there was an answer given the last day which was not quite correct. There would be no increase for six years; under the Regimental Debts Act, estates must be exposed by advertisement for six years before they can be handed over to the Patriotic Fund Commissioners, so that there would be no immediate money available, simply on account of the present war.

825. When the war terminates there will be a limited supply to add to this fund?—There will be always.

826. What are the first charges on the fund?—The first charges on the fund are allowances that we have granted up to date to widows and orphans of soldiers dying while serving with the colours or within six months of discharge to the extent of 8,200*l.* a year.

827. Is it possible to obtain what Mr. Kearley was asking you, first, an estimate either by an actuary or a skilled person as to what will be the probable fund available?—Yes.

828. And then, next, what will be the probable charges, and how far those charges from time to time diminish, so as to find out if you can the value of the capital fund, the value of the charges capitalised upon that fund, leaving a surplus that may be used for pension purposes: can that be done?—Subject to what I will tell you, my Lord. The actuaries have been furnished with the liabilities up to the 31st December, 1900, and they will tell you what was then the surplus capital after meeting the liabilities. It is also right to state that we have increased those liabilities considerably, and they must go on increasing undoubtedly, because the number of claims is so numerous that the Patriotic Fund Commissioners are already obliged to adopt restrictive measures by way of selecting the most deserving and necessitous.

829. But will a point not come when it will be safe to appropriate so much capital to meet liabilities, leaving a distinct surplus to be used for pension purposes?—It is quite possible that the whole of the capital may be taken by the liabilities we are incurring.

830. You

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[Continued.]

Chairman—continued.

830. You say that it is not safe to suppose that there will be any surplus?—Certainly not safe.

Mr. Kearley.

831. Do you say that the Victoria Fund will probably have a surplus in the future?—I will go so far as to say, certainly.

832. Another question as regards the Victoria Patriotic Asylum. You have there an endowment amounting to 157,000*l.*, and that is being utilised at the present moment for the education of girls?—And their maintenance.

833. The girls are 300 in number?—Yes.

834. Can you tell me what is the cost at the present moment per child for education?—It is in the account.

835. Can you tell me first of all who are these girls?—They are the fatherless daughters between seven and 16 years of age of petty and non-commissioned officers, sailors, soldiers, and marines.

836. But it is Crimean War money that is supporting this endowment?—Under the authority of Parliament.

837. Can you tell me the cost per head of the education of those 300 girls?—19*l.* 4*s.* 11*d.* for the year 1900; you will find it in the account.

838. You have surrounding this asylum, I believe, over 40 acres of land; the asylum is at Clapham Junction, and you have 40 acres of ground there, including the land on which the asylum stands—or is it 41 acres?—40 odd acres, say 40.

839. Can you give us an idea of the value of that land? Is 20,000*l.* an acre an outside price for it?—Well, I am not an architect or surveyor, but I should say it was a growing value; whether the Patriotic Fund Commissioners or anybody else would be well advised in using that for building purposes I very much doubt.

840. It is a very valuable possession?—If it could be used for building purposes.

Chairman.

841. Is there any legal obstacle to its being so used?—None whatever, but I am perfectly certain that it would raise a storm of agitation that might defeat great public purposes.

842. In what way?—It is an open lung of London at the present time.

843. You are not pleading the case of the young ladies; they could go out into the country?—The young ladies, as I tell them often, are better off than His Majesty in Buckingham Palace.

844. Your point is that being an open space it ought not to be built over?—I will not say it ought not.

845. Do you think it should not?—I mean to say that Mr. Kearley is leading me, if I may say so, into questions which, if I were to answer them boldly would point to the fact that we ought to realise this for building purposes. I say that it is a question of policy entirely.

Mr. Kearley.

846. That is not my object; I only wanted to make the Committee acquainted with what may be funds, or the means of getting at funds available for supplementing Government pensions. You have 41 acres of building land in the heart of London computed to be worth 20,000*l.* an acre, you have an endowment fund of 157,000*l.*, and you have a school worth 70,000*l.* On the question of the cost of education you told us a little while ago that this education is costing practically 20*l.* a year?—And maintenance.

847. Is the school full?—Well, not just at the present time.

848. Has it ever been full?—Certainly, we have had over 300; it has accommodation for 300.

849. For very many years you were unable to keep the school full, and in consequence the cost per child went up, I believe, as high as 31*l.*?—That is ancient history: what has that to do with to-day?

850. Is that the fact, that the cost of education has been largely in excess of the amount you state now?—Certainly. I admit the fact, but what has that to do with to-day?

Chairman.

851. Have the Patriotic Commissioners ever had under their consideration the policy which Mr. Kearley has pointed out of selling this land?—Never.

852. When did the asylum come into existence?—His Royal Highness the Prince Consort, as President of the Commission, initiated the idea of a boys' and girls' orphanage, and the land was purchased under His Royal Highness's advice for the purpose of a boys' and girls' orphanage.

853. That was after the Crimean War?—Immediately.

854. You spoke of its being an orphanage school for boys and girls; what has become of the boys?—The boys' school under financial stress was sold along with 11 acres; we had originally 51 acres there, and we have 40 left.

855. When were the 11 acres sold?—In 1881.

856. What did you get for them?—32,000*l.*, including the buildings upon it.

Mr. Lambert.

857. Do you admit that Mr. Kearley is right in saying that this land would in the open market fetch 20,000*l.* an acre?—Who that knows anything of London will say that it is not valuable, but I would not say whether its value is 20,000*l.* or 10,000*l.* an acre; that is an expert's business. More than that I do not want to raise the question of policy on the part of the Commissioners.

Mr. Hozier.

858. Do you know what the land was bought at?—I do, 3,000*l.*

859. The whole property of 52 acres was bought for 3,000*l.*?—Yes.

860. How

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Colonel YOUNG.

[Continued.]

Earl of Dartmouth.

860. How long after the original purchase was the sale of the 11 acres?—We bought it in 1857 from Lord Spencer, who is Lord of the Manor of that part, and it was in 1882 that we sold it to the United Westminster Schools for 32,000*l*.

861. The land had gone up in value to that amount in that time?—I am perfectly certain from my own knowledge in other matters, as to the pressure of population in that part of the world and the demand for buildings, that it

Earl of Dartmouth—continued.

would yield relatively an enormous sum to us. The whole question as far as the Patriotic Commissioners are concerned is one of policy.

Mr. Kearley.

862. Of course, the sale in 1882 was a forced sale?—Quite; it was under disadvantageous circumstances.

863. You were compelled to sell it by the Government?—Yes.

The Witness is directed to withdraw.

Ordered, That the Committee be adjourned to Tuesday next, at Eleven o'clock.

Die Martis, 14^o Maii 1901.

MEMBERS PRESENT :

Marquess of BATH.
Earl of DARTMOUTH.
Earl of MALMESBURY.
Earl of WESTMEATH.
Viscount HAMPDEN.
Lord NEWTON.
Lord JAMES.

Mr. ARCHDALE.
Mr. BARTLEY.
Mr. HOZIER.
Mr. HAYES FISHER.
Mr. KEARLEY.

THE RIGHT HONOURABLE THE LORD JAMES OF HEREFORD IN THE CHAIR.

COLONEL JOHN SMITH YOUNG, is again called in; and further Examined, as follows :

Mr. Bartley.

864. I wanted to ask you a few questions about the scale. In the early days of the Patriotic Fund you fixed a scale; was that scale fixed by statute?—No, it was fixed by what I should call regulation of the Commissioners themselves.

865. Was it fixed by an actuarial estimate of the money you had in hand?—I do not think that can be said as regards the original Patriotic Fund, for the simple reason that there were large sums outside of the sums that were necessary to provide those allowances for life.

866. What was it intended to do with that money; was it intended to accumulate it in time?—Oh, no; far from accumulating, because one of the first things that was done, by Mr. Gladstone, I believe, was the purchase of about 668,000*l.* worth of terminable annuities which terminated in 1886, so that there never was any accumulation in the old Patriotic Fund; it was a decreasing fund from the very first year.

867. What I want to know is how the accumulations have come if, first of all, the fund that was raised was allocated practically to the whole number of widows and orphans you contemplated—how have you accumulated this very large fund?—As a matter of fact, in the year 1880, so far from there being sufficient to meet the liabilities, the accounts showed a deficiency, and recuperative measures were taken in 1880 which resulted, when I became secretary in 1887, in a considerable surplus of money on the old Patriotic Fund. The first allocation of that surplus was to devote 65,000*l.* of it to restoring the remarried women who became widows again.

Chairman.

868. Who became widows a second time, you mean?—Yes, they were restored to a full allowance as widows, and that took no less a sum (0.21.)

Chairman—continued.

than 65,000*l.* out of the surplus which existed in 1890.

Mr. Bartley.

869. What were the recuperative measures? If the fund was really deficient or about to be deficient in 1880, by what recuperative measures could you make it so prosperous afterwards?—The recuperative measures were, first, the sale of the boys' school, which, of course, took off a very large liability, because we were maintaining an institution at a cost of some thousands a year, which was draining the assets. The Commissioners have frankly acknowledged that they undertook that liability, as it turned out, without sufficient assets.

870. You got about 30,000*l.* by the sale?—Yes; and we also got rid of the annual up-keep, which was very considerable; I cannot tell you offhand—about 5,000*l.* or 6,000*l.* a year.

871. Were there any other sources of funds that led to this change?—They struck off those very widows that had re-married from restoration to full allowance, which had been the rule prior to 1880. That caused certain sums to accumulate, and when they thought they had, under actuarial advice, accumulated sufficient, as I said in 1889, they restored these payments to the women, and that reduced the surplus again. What really made the surplus of late years was Mr. Goschen's Act in regard to the National Debt, which sent up the whole of our securities; it was not really an accumulation, it was an enhancement of the value of our securities. One line alone, 70,000*l.* of Great Western 4 per cent. Debenture Stock, went up to 155*l.*; we bought that at 100*l.*

Chairman.

872. That was part of it. I understand there was

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Colonel YOUNG.

[Continued.]

Chairman—continued.

was a time when a widow of say a Crimean soldier, who had married again and become a widow, did not receive any pay; how long did that continue in suspense with the woman not receiving the pay?—From 1880 to 1890.

873. Did it come into play first in 1880 that she should not receive anything?—Yes; November 1880 was the date of the Resolution of the Royal Commissioners suspending the restoration.

874. In 1890 she was again restored?—Yes.

Mr. Bartley.

875. Do I understand that you gave them their pensions whether they married again or not up to 1880?—Half allowance.

876. And then in 1880 you suddenly stopped it?—The restoration to full allowance, not the half allowance.

877. You continued that?—Yes.

878. And then in 1890 you give them the whole allowance again?—Yes.

Chairman.

879. Did they get it while the husband was living?—The half allowance.

880. But supposing the second husband died they got still the half?—Between 1880 and 1890 they were not restored.

881. But between 1880 and 1890 did they continue to get the half?—Yes.

Mr. Bartley.

882. As regards the "Soldiers' Effects," you made large savings out of that, it appears?—Well, under the instructions by which we were bound to administer the fund from the Secretary of State for War, we have placed large sums to capital every year by reason of our not being able to spend more than a proportion of the income.

883. What limits you in expending it?—The instructions of the Secretary of State for War to the effect—I will read you an extract if I may from the letter.

884. I want to know the exact terms under which you have accumulated these very large sums when there are so many widows and orphans still in receipt of relief?—"The Secretary of State for War in notifying the issue of the Royal Warrant of 12th of June, 1884, for the transfer of the 'Soldiers' Effects Fund' to the Commissioners intimated that the grants and allowances under the Warrant shall extend to all cases of death arising from war services since the 1st July, 1882, and if the allowances so granted should not absorb the whole of the sum the balance of the fund should not be appropriated in granting allowances for other than war services, but should be kept in hand as a reserve fund to meet any extraordinary demand."

885. I take it from you that you have never refused a single case that came within your authority under that Warrant?—That is so.

886. Ever since those funds have been handed to you have you met every claim that comes within the purview of that authority?—Certainly. I go so far as to say that the Commissioners stretched a point over and over again to include widows within the limits.

Mr. Bartley—continued.

887. As regards the scale, was the scale fixed by that Warrant?—No.

888. Did you fix the scale?—Yes.

889. Did you consider it ample?—No.

890. What was the scale?—3s. 6d. a week for Private's widows, up to 6s. a week, I think it was, for Colour Sergeants'.

891. Why, if you had absolute discretion as to the scale, did you not increase it if you did not think it sufficient?—In the first place there had been a Committee at the War Office which reported to enable this Fund to be transferred to us, and they gave us this scale as a scale that was agreed upon both by the Admiralty and the War Office as the scale which should be that which governed the allowances in the first instance.

892. But you say you had authority if you thought proper to enlarge that?—And we did so in the shape of sick allowances, where a woman was unable to do something towards her own maintenance.

893. Is it not a fact that you were putting by twenty or thirty times the amount of money you were expending?—Oh, no.

894. Is this correct, that in 1885 you received 53,000*l.*, and only spent 1,400*l.*?—Certainly not; there is no such sum which was ever received in any one year.

895. Anyhow, the expenditure was very much less than the income?—Oh, certainly; that is shown in our accounts clearly.

896. But, surely, if the income was much larger than your expenditure, and you had ample power to enlarge it, and the Commissioners thought the scale was too small, could you give us any reason why they did not enlarge it?—I have tried to explain that when it was needed we did enlarge it by extra allowances, but all these widows were comparatively young, and able to do something for themselves, and I do not think that there is any case in which it could be brought forward that the allowances were inadequate really to help them.

897. Just now you said they were inadequate?—In a sense, that is to say they are far smaller allowances, for instance, than would be granted from a fund specially subscribed for a given war or disaster, we should be bound to apply the capital as well as the income, and therefore these allowances would be very much greater. This is a general fund handed over by the State.

898. Just one or two questions about the land at Clapham Junction. As I understand, that was a somewhat wise act of somebody—the Prince Consort or the Commissioners—in early days to buy that estate?—It was, I believe, the initiation of the Prince Consort that resulted in the buying of that estate.

899. Of course there are now no children to educate. The girls you are educating have no claim upon the fund?—No.

900. No real direct claim?—No, but in the very first Report of the Commissioners to Her Majesty they laid down that the very object with which the school was founded and endowed was to create a permanent memorial of the national generosity in response to Her Majesty's appeal in 1854.

901. Who are the girls?—The girls are the daughters

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Colonel YOUNG.

[Continued.]

Mr. Bartley—continued.

daughters of petty and non-commissioned officers, soldiers, seamen, and marines.

Chairman.

902. Not killed?—Yes, fatherless.

Mr. Hayes Fisher.

903. Not necessarily orphans?—Of course, orphans is understood sometimes in a different way. Generally, to make it clear, I say "total orphan," if it is father and mother lost, but in the usual way we talk of them as orphans.

Mr. Bartley.

904. They have no claim on the Special Fund, for which the Patriotic Fund was raised in connection with the Crimea?—No, but Parliament gave them a claim. Parliament, in the Act of 1867, laid down that the Patriotic Fund should be applied to the maintenance and education of orphans in the second clause of Section 5 of the Patriotic Fund Act of 1867.

905. But if it was found on examination that a very large profit would accrue and a great deal more could be done with that land by moving the school, would the Commissioners have any objection as Commissioners?—As I informed his Lordship, the Chairman, on the last occasion, the Commissioners have never even considered it. All these questions are matters of public policy when you hold land such as we hold at Wandsworth. It is a lung of London.

906. It is rather going beyond their duties as Patriotic Commissioners?—I perfectly agree, but I merely explain the position of the Commissioners, they have never even considered the question of the land, but they would be bound to consider it if this Committee—

907. If a very large profit could be made and a very much larger number of widows and orphans could be benefited, you see no objection on the part of the Patriotic Fund to consider the matter of moving the school as Patriotic Commissioners?—I do see a great objection to moving the school; I do not see that there is any very great success attends the removal of schools such as this—a national orphanage—out into the country. I am quite free to admit that the circumstances which rendered an orphanage like that an inestimable boon in 1854 and 1856 are very much altered by the present educational advantages, but, at the same time, there are many cases in which a mother is absolutely brought to the exercise of self-dependence in doing something for herself by having her children placed in an orphanage like that. We sometimes take in three of a family to enable that to be done.

908. If that was 20 miles from London instead of three it would be the same, I suppose?—I do not know that they would avail themselves of it so much; I think its national character to a great extent is maintained by its being in London. But, putting that aside, I do not see that the mere removal of that brick and mortar from there would hinder the estate from being developed in the way you suggest to the advantage of thousands a year.

909. Still it was out of London when it was built, practically?—Hardly: it was as much in London as it is now; the railways were both there.

Mr. Bartley—continued.

910. Still, the very fact of the value of the land shows the difference of position practically?—Financially.

911. There is only one other point. You have told us that the Patriotic Commissioners do not wish their charter to stand in the way of any alteration in that resolution?—Certainly, in the sense that I hope it will be taken; that they feel that the granting of State pensions to those who are killed by war service makes an entirely new departure, and if any change in the constitution of the Commissioners was thought desirable they would not oppose it.

912. I wish to put the extreme case: Supposing it was thought desirable in the interests of the widows and orphans absolutely to abolish the Commissioners, and to do something totally different, would the Commissioners agree to that provided only that the trusts for which they were created are safeguarded?—I think even that length they would go if it was clearly to meet a public service to do so.

913. They have no personal feelings in the matter?—Absolutely none.

914. Except the benefit of the recipients of the alms which are collected?—Absolutely.

Chairman.

915. I suppose you cannot go beyond the Duke of Cambridge's letter to Mr. Balfour?—I cannot, my Lord.

Mr. Bartley.

916. I only want to make clear that there is no idea of any other interest except the interests of the widow and orphan?—That is so; it is to serve the cause of the widow and orphan that that letter was written.

Mr. Archdale.

917. I would just like to ask, if it has been for soldiers all along, except for the special funds, the "Atalanta," the "Eurydice," and those funds?—Oh dear, no.

918. The Admiralty provide their own pensions?—That is only since 1880 that they provide it, and this is only to a small extent; we place on in one year as much as they have placed on altogether.

919. I thought the Admiralty provided all pensions for bluejackets' widows?—That is under certain circumstances, only what would be the first category under the Soldiers' Effects Fund, those dying by actual Naval service; but the original Patriotic Fund was equally for sailors' and soldiers' widows; there were 700 sailors' and marines' widows out of about 3,000, but of course the mortality was greatest amongst the soldiers, because of the rigours of the winter in the Crimea.

Mr. Hozier.

920. Just one or two questions. I want exactly to understand how the cases of deaths of soldiers are reported to you; do the War Office report all cases of death in South Africa straight to you?—That is so, but we get others direct that do not come through the War Office.

921. Is the War Office information not complete with regard to the deaths?—I would hardly say that; in this war there are a great number

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of colonial cases, and a great number of irregular corps, and the machinery for reporting those deaths is not so complete as in the regular Army; but the widow hears of the death very quickly, and we frequently get cases direct from the widow or from people who act on her behalf.

922. Are not all deaths in South Africa reported straight to the War Office at once?—They ought to be.

923. But you find cases of omission?—I would not put it in that way; I think it is simply that they have not got into the casualty telegrams from the Cape; and the Cape is a very large place.

924. But practically the War Office supply you with a copy of the information that they send to the newspapers?—Immediately; they give us the report of the death, and we act on it immediately.

925. Do you get any further details beyond the information published in the newspapers from the War Office?—We get the address of the widow.

926. That implies that they give you the information as to whether the man is married or not?—No.

927. That there is a widow?—They accept the fact that a widow exists, but they, like ourselves, have to prove the marriage of the woman that claims to be the widow.

928. They do give you further details beyond the details that are supplied to the newspapers?—Certainly, only that one.

929. But if it is the case of a bachelor they give you no information?—That would not apply to us.

930. Supposing there is the death of a bachelor?—It would not apply to us in any way whatever.

931. I thought they reported all deaths to you?—No, only those that are supposed to have left widows.

932. Then they certainly do not report you any cases of men married without leave?—Certainly they do not; they do not know those who are not married with leave.

933. You have to go through the lists of all the deaths in order to ascertain who are married and who are not?—No, we do not go through any death lists at all of soldiers for the simple reason that by a natural process the claim comes to the Patriotic Fund on behalf of the widow.

934. In fact you do not have to make inquiries; you expect them to apply to you?—Well, the result is that we get the notification of any widow and every widow most promptly, so that we have no occasion to go through the whole of the casualty list.

935. I do not quite see how you get the information, because the War Office have not got it?—We are very quick in getting applications from widows; you see the Soldiers and Sailors' Families Association has every wife on their books, and by that means there is a very rapid transmission of the claims of the wife who becomes a widow wherever there is money to be got.

936. Of course the Soldiers and Sailors' Families Association fully recognise the wives married without leave?—They make no distinction, except that I believe they give higher allowances to those without leave, because they

Mr. Hozier—continued.

have not got the Government separation allowance.

937. Practically you find that Association your most useful means of obtaining the information you want?—We have worked with it from the very first day of this war.

938. You told us, I think, on the last day the way you got information was by communicating with the authorities at the regimental depôts?—I think the answer you are referring to was when I was asked about the women married without leave and married with leave, and I said that the War Office when they got our list of widows according to corps sent it down to the depôt to ascertain who were married with leave and who were married without leave.

939. Is the "Irish Times" Fund for the relief of widows of Irish soldiers, or for the relief of widows of soldiers in Irish regiments?—It is for the relief of widows and orphans of deceased soldiers of Irish regiments only.

940. Whether Irish or not?—Whether Irish or not if they are in the corps; and they took in Yeomanry also.

941. With regard to that property we were speaking of, it amounts to 52 acres?—50 acres.

942. These were bought for 3,000*l.*?—That is so.

943. Therefore the price was about 60*l.* an acre then?—There were 51 acres altogether; we sold 11 acres with the boys' school, so that it was 30*l.* an acre at that time.

944. At any rate now it is worth something like 20,000*l.* an acre, or we will say between 10,000*l.* and 20,000*l.*?—I would like to put it in this way, use that for building purposes and it will be an increasing rental of thousands a year for the benefit of widows and orphans.

Earl of Malmesbury.

945. Do you include every class of soldier—Regulars and Irregulars, Volunteers, Militiamen, and Colonial Forces?—Every one, and it is stretched to include many civilians, you might say, who were rendering perhaps temporary military service, as was often the case in Natal.

Marquess of Bath.

946. One question with regard to the Yeomanry, do you give a pension to the widow of every man who was killed in the Yeomanry? My reason for asking this is that in that force a good many went out who were perfectly well able to support themselves, and who left money behind them?—Only in cases of need; Yeomanry cases are very difficult to deal with on account of the social position, and we have come across certain cases where the Commissioners have felt obliged to say that they did not think they came within the scope of a fund raised from the benevolence of the public, because their means were adequate for their position, both considered in the military aspect and in the social aspect.

Earl of Dartmouth.

947. I should like to ask you one or two questions about the Committees. To clear the ground in the first place you have a certain number

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Earl of *Dartmouth*—continued.

number of local committees connected with the Royal Patriotic Commission at the present time?—At naval and military centres only.

948. But I thought you said in answer to one of the questions that were asked, that Lords Lieutenant had been applied to in the first instance?—Lords Lieutenant were applied to in a limited number of cases.

949. What I want to know is, was it the Lords Lieutenant as a body or merely those representing counties in which there were military centres?—It was limited.

950. I see that your largest committee is in the county of Norfolk, and that is hardly a military centre?—Well, an approach was made from Norfolk to us, and it has been a most successful committee.

951. The original idea was, not that there should be a universal chain of committees all over the country, but merely in the military centres?—The original idea of the Commission of 1854 was that there were to be committees everywhere, and there were committees everywhere from 1854 on, but they died out.

952. I suppose practically that many of them had very little to do, and did not do that?—Well, of course the payment of allowances to widows is a very different thing to payment of allowances to wives and families; you see it is a moral right for life, and natural forces come in to leave the widow very much alone.

953. After the interest that has been excited in the various war funds, you, I think, entirely agree with the view that there should be a scheme something like that which has been referred to, amalgamating all these committees under one head with local committees all over the country?—And the Commissioners do so too, my Lord.

954. And not merely for the permanent relief, but also for temporary relief?—In fact, it is the working in peace that will make for efficiency in war, and, therefore, there should be a national organisation.

955. And if we had some chain of that kind it would obviate the present want of system and the amount of overlapping that we have experienced?—I have a great confidence that it will do so.

956. For one moment, dealing with overlapping, we had a case in Staffordshire, which I think is a very remarkable one, in which the widow of a sergeant in one of the Northumberland regiments received a lump sum from various sources of something like 89*l.*; you sent them the usual 6*l.*, and the "*Daily Telegraph*," in the earlier part of their proceedings, were very generous, and in fact all these various funds, some of which have since died, were tumbling over each other to give relief somewhere?—That is so.

957. With the result that this particular individual had a lump sum down practically of 89*l.*, with pensions, which, I believe, in your case, has been since reduced to 25*l.* a year?—That is not an over-statement; I know many cases like that.

958. And, of course, if we had had any schemes of this kind that overlapping could not possibly have taken place?—Ah, I am not so sure about that. I do not see how you will ever stop a "*Daily Telegraph*" Fund from giving.

Earl of *Dartmouth*—continued.

959. We will come to that by-and-bye. You have already drafted a scheme, or suggestion of your own, which you have sent round, would you like me to deal with that?—I do not mind in the least.

960. In principle I think we are thoroughly agreed; but your view was that there should be a body formed—created by Act of Parliament—which Act of Parliament should also make it illegal for other bodies to contribute?—If I may be allowed to say so, I put that in for the purpose of discussion, as many men do to serve a public purpose only, and if you ask me now whether I think that that is a judicious thing I will tell you frankly that I think it would be a most unfortunate thing taken as it may be by a large portion of the public.

961. But if we got our local committees formed, as has been suggested, with a central committee acting with local committees in various parts of the country, which we will assume are representative, and have the confidence of the country, would not that make it very difficult for any other body to raise any large amount?—I believe that with great confidence, and that it will, therefore, practically mean voluntary compulsion, if I may use the term, that would bring about cohesion, and consequently avoid the overlapping that has taken place in the present war.

962. There is one other point. I think I understood from an answer you gave to Mr. Kearley that you as a statutory body with certain duties imposed upon you, one of which is the administration of the funds, would not feel justified in transferring that duty to another body without further statute?—The fact is perfectly simple, that a statutory body cannot relieve itself of its responsibilities; the Patriotic Fund Commissioners, if I may put it concretely, are simply the executors of the will of Parliament. That is the whole of their position, and consequently they cannot rid themselves without the direction of Parliament; they are in the hollow of the hand of Parliament.

963. If there is any alteration made Parliament will have to interfere to bring about the change?—If there is a development of the responsibilities of the Patriotic Fund Commission, but I do not quite follow that a national organisation necessarily need have the impress of an Act of Parliament. I do not see that it is necessary.

964. I think myself that the administration of the money is the most important problem?—So important that if you do not have the impress of some high governmental authority for audit and for custody of securities I venture to say you will very soon get into a mess in any organisation.

965. Of course you understand thoroughly the present arrangement of the system on which the Soldiers' and Sailors' Fund is managed?—Thoroughly.

966. You would admit, I suppose, that when there is an appeal to public funds, if it is known that those funds are going to be administered by a central body there is a considerable damping down of the fires of local generosity?—I do not quite agree with that as you put it, but I will say this, that if you do not conciliate local sources

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Earl of Dartmouth—continued.

sources both of energy and means I think you will never succeed in making a national organisation.

967. I can give you an illustration. This Lord Mayor's Fund. The Lord Mayor made an appeal to Lords-Lieutenant, Mayors, and so forth, asking for contributions under four separate heads. In my own case the only one we administered in the county was the Soldiers' and Sailors', but I made an appeal on behalf of them all, with the result that while for my local county fund we got something like 10,000*l.*, and the various localities who administered again their own local contributions got between 20,000*l.* and 30,000*l.*, we only got 200*l.* or 300*l.* for the whole of the others?—Is not that a wonderful testimony to the practical need of your local organisation?—Why should it stand out of the national organisation?

968. I do not want it to, and I have not in the least advocated that. What I want to see is a national organisation, only that the administration of the funds should be local. That is my own private view, and I feel sure that if an appeal is to be made to the public, if they have confidence in their local committee, the response will be very much larger. The same thing as I have described occurred with regard to the relations of the localities in the county with our county fund; they all like administering their own affairs, and what I imagine would be the ideal situation would be your Central National Body in London which would lay down its laws and give a basis for working on which would be more or less elastic in different localities to suit the local necessities; the counties would collect their own funds and administer their own funds and these would be supplemented as need required from the central body?—Yes, but I think you as a practical man would admit this—and here is a concrete illustration—Lancashire has an industrial population, and the towns in Lancashire are very wealthy; if you will turn to that book we got at the National Consultative Council you will see that Liverpool has a sum now lying for call for the most deserving object of 40,000*l.* Why is that? Because Liverpool has only 15 widows; but why should Liverpool out of its wealth not contribute to the necessities of the poorer districts?

Chairman.

969. Perhaps it would?—I think it will.

970. I do not say that it would, but when you say, "Why should it not," you must first ask them if they will?—Lord Dartmouth, if I may say so, is a very keen "local" authority and I think he knows also that I am most thoroughly in sympathy with that with certain provisos relating to a central body, and I would not like—and I think he would hurt his own views if he were to adhere to what he said just now—that you must absolutely spend locally on entirely local objects the money that is raised locally. I think that will react to a certain extent against the great central outpouring of wealth which must be in London and always will be in London.

Earl of Dartmouth.

971. If I may interrupt for a moment. I think

Earl of Dartmouth—continued.

part of the scheme will be that if there were any surplus in any locality not needed for local purposes it would go up to the central body to assist the less favoured districts?—Then, my Lord, I have drawn Lord Dartmouth exactly as I wanted; I do not wish to say anything further, I entirely concur.

Chairman.] Apparently, the witness does not want to confine it arbitrarily of necessity to localities, and neither do you.

Earl of Dartmouth.] I want to confine it arbitrarily to each local unit, the county or district, so far as administering its own funds for its own needs is concerned, and then that they should have power either to call on the central body for assistance, or to assist the central body, if it is able to do so.

Witness.] And with that I am in entire agreement.

972. You do not think that if an alteration of that kind was suggested the Royal Patriotic Commissioners would object?—I can pledge them to that: they certainly will not object.

973. There is only one other point: You referred to the soldiers and sailors, and stated that whenever the death occurs of any of those who have been relieved by the soldiers and sailors the information is immediately transferred automatically to your Royal Patriotic Fund. I suppose that if we had our local committees, apart from the administration of the funds, they would be a very valuable source of information, responsible for finding out all that is required about the character, the requirements and the needs of those who require assistance, how much relief they require and (rather answering Lord Bath's question just now) in cases where no relief is needed it would be the local committee who would afford you that information?—Yes.

974. Naturally, of course, if we deal with our own cases in our own localities, our county committee would take that upon themselves?—Yes, I hope subject to some uniformity of treatment.

975. My idea is that the central body should lay down its laws, only making them sufficiently elastic in order that the local bodies, whatever they may be, should have the right if necessary to alter them to meet their own particular circumstances?—The more local bodies interchange views, whether in detail or in principle, I am perfectly certain the national organisation will succeed according to the multiplicity of that interchange between localities and central bodies.

Mr. Hayes Fisher.

976. Apart from the invested funds in various classes of shares, I suppose the Victoria Royal Asylum is the only property under the control of the Commissioners?—That is so.

977. You have no other property?—No other property beyond what is disclosed in the list of capital amounts.

978. I observe that you have a committee of management to manage that asylum?—Yes.

979. I presume that is only for internal management?—That is all—the administration of

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of the income and the interior economy—the education and the welfare of the girls.

980. Any question of change of policy would have to be decided by the Patriotic Commissioners sitting as a body?—Decidedly, and even in a matter of finance which goes outside of the income it has been laid down that the Commissioners alone can deal.

981. Mr. Kearley has suggested to you a possible change of policy which would mean selling the site of that Victoria Asylum and investing that money for the general purposes of the Patriotic Commissioners—that is for the support of widows and orphans. You say that the Commissioners have never considered that policy?—They have never considered it, and I venture to say, giving my own opinion, that to a certain extent the plan of selling is open to the greatest objection; I do not see why we should not be our own landlords, and so have an increased income for the widows and orphans. Why sell it?

982. Would it be within the powers of the Patriotic Commissioners to sell that site to-morrow if they so chose and invest the money for the general purposes of the fund?—I see no statutory objection to it, because that is the only thing; they have full powers over their property.

983. So far as you do know would it be legally possible for the Patriotic Commissioners to call a special meeting of their body and to agree to a sale of the site and buildings and then with the proceeds invest that money for the general trust of the Patriotic Commissioners—that is for the support of widows and orphans. Would that be legally possible?—I should say certainly it would be.

984. They would not, so far as you are aware, be compelled by any Act of Parliament or by any Warrant under which they act, to build another school or to acquire another school or to carry on another school with that money?—Lord James will correct me—the only thing I can imagine that would interfere is the appropriation under the Patriotic Fund Act of 1867 of the endowment fund for the school; and the money set aside for purchase of it. Otherwise I see no reason why they should not to-morrow do as you suggest.

985. What section of the Act do you refer to?—I think it is the appropriation schedule.

986. That is your legal opinion—that they would not be compelled with the proceeds to carry on any school?—That is my personal opinion—not a legal opinion.

987. I should like to direct your mind to that question of policy, and to an alternative policy; you say that you would be very much opposed to any policy of that kind?—The selling, I think, would be simply financial stupidity.

988. When was the school first established?—1859.

989. At that time, I suppose you would agree with me, it was far more difficult to obtain education for children of that class than it is at the present moment?—Certainly; in answer to Mr. Bartley I said so.

990. I want to ask you about the kind of education which is given in that school; is not that education far more elementary; is it not an

Mr. Hayes Fisher—continued.

industrial education?—Certainly; and of the greatest benefit in planting out a number of young women trained to habits of self-dependence, and particularly trained in domestic economy.

991. First of all, how many children are educated in that school?—300 is the accommodation.

992. Tell us, shortly, what is the length of period for which they are admitted?—From seven to 16, when they are placed out in employment.

993. What sort of education is given to them?—An elementary education, under the Elementary Education Acts, from the first to the sixth standard, with special objects in addition.

994. And beyond that, anything?—Then we have what we call an industrial class, in which the work of the institution is entirely performed by the girls; we have no servants; it is divided into different branches of domestic economy, and they take their curriculum through that in the two years between 14 and 16.

995. And you, I can see, have your heart in this form of education; you would say that it serves a most useful purpose, not only for the girls, but for society?—I think it is doing a national work myself.

996. And that therefore the kind of education that is given there is of a kind very superior, and far and away very superior, to that given in an ordinary Board School?—Let me give an example. The Education Department Inspector gives it the highest encomiums in the annual report, and we won two years running in the open competition of the cookery exhibition, which was instituted by the Baroness Burdett-Coutts, the challenge shield.

997. I understand from you that these girls leave the school at something like the age of 16?—Sixteen.

998. Does the management then try to obtain them places?—We always do if the mothers consent.

999. You either send them back to the mothers if the mothers so wish, or if the mothers desire it you try to obtain them places?—We prefer to obtain them places, and we use our influence with the mothers sometimes when they want to take them away.

1000. May I take it that the majority of them are placed out in service?—Certainly.

1001. Are there many applications for them?—We could do with treble the number I should say, and when a girl goes into one service it is generally followed by applications from the same establishment for other girls to follow.

1002. They are well trained, and, therefore, are sought after?—As far as it is possible to train girls up to 16.

1003. And it is for those reasons you would deprecate the sale of the school, provided no other school was carried on?—Certainly.

1004. I want to take you to an alternative policy. I see you are as much opposed to the sale of the school as I am myself without carrying on any other school. Surely those are not objections to the transfer of the school to a more healthy situation, because healthy as London is, I suppose you will agree with me it is still

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still more healthy to bring girls up in the country?—I should say there is not a country orphanage that has the record of health that we have got.

1005-6. I must say that I am very much surprised. Then you do not agree with the policy which has taken Charterhouse and Christ's Hospital out of London?—There is hardly an analogy between the close atmosphere of Christ's Hospital and the exceptional position of a triangle drained by two railways, which will exist as long as time exists in this country, I suppose. The site is absolutely unique.

1007. If not on the ground of health, can you not see that there might be a very considerable benefit to the general trust funds if this most valuable site could be disposed of, and, say, halt the money thereby obtained applied to building an equally good school in the country, while the other half of the money would be left for the general funds, and for widows and orphans?—If this Committee would only visit the *locus in quo*, I think I should be able to satisfy this Committee that there could be no advantage in going into the country by the removal of the bricks and mortar that constitute the Royal Victoria Patriotic Asylum, and that there is ample room for the development of a policy of utilising the fields that we have there for building estates to far greater advantage than merely transferring the schools to the country.

1008. Then do I understand that you would actually propose to develop this as a building estate in close contiguity to the school?—Not so close that it would render it either unhealthy or cramped up; our fields are absolutely bare.

1009. I can see your personal opinion. I think we should get this better from a valuer. I suppose this is a most valuable building site?—Undoubtedly.

1010. And, therefore, we could obtain a large amount of money for it?—Certainly.

1011. Very much more than we should probably require to build a school of similar dimensions and with similar surroundings in the country?—No.

1012. Why not?—Because this one cost 70,000*l.* to build.

1013. But do you mean to tell me that 40 acres of freehold land are not going to produce a sum infinitely larger than 70,000*l.*?—That 40 acres includes a very large portion which is taken up by the site of the outbuildings and playgrounds of this building.

1014. I see that you are entirely opposed to the removal of this school. I should like to obtain from another witness what is the value of the property, and for what sum of money we could obtain a similar site in the country and build a similar building, and I feel perfectly convinced in my own mind that there would be a very large surplus to be devoted for the general trust purposes of the Patriotic Commission?—If I may say so—I do not wish to be obstinate—I think you have perhaps hardly grasped my views on the matter when you put it in that way. I am against the sale simply because that would rob the widow and orphan of the future; the land is of increasing value, and if you develop

Mr. Hayes Fisher—continued.

the property I think it would produce far more than the sale would.

Chairman.

1015. When?—In a very short time; it is a very growing district.

Mr. Hayes Fisher.

1016. Your policy would be, so far as this school was concerned, to leave the school where it is—to continue the school, but to build on possibly 30 out of the 40 acres?—Certainly.

1017. And then to obtain money, I suppose, from ground rents?—Ground rents; or to be our own land-lords, as the Duchy of Cornwall has done so excellently in town property in London instead of ground-rents.

1018. That is a possible policy, and we will consider it; but that does lead you to this admission—that it is a valuable building site?—Of course I will admit that; I have had that strong opinion myself for 10 years; but there is a question of policy sometimes as to uttering your opinion on such matters.

1019. That is the only property, then, of the Patriotic Commissioners. Now I should like to ask you a few questions about the available funds. You have told us, I think, roughly that there is a sum—at least in your printed list handed in here—there is a sum of 1,263,208*l.*, and that is the sum available applicable to widows and orphans and dependent relatives?—Subject to the special trusts of each fund.

1020. That is made up of various funds?—That is so.

1021. How many of these funds are increasing in value?—It is a varying value because they are in securities, which have certainly fluctuated since the Select Committee of the House of Commons reports, to the extent of a depreciation of 10 to 13 per cent. All securities have fallen as you know; Consols have gone down from 114.

1022. Since when?—Since 1896. Consols have gone down from 114 to 93.

1023. Does the 1,263,000*l.* represent the face value or the actual value?—Face; you cannot keep accounts except in face value.

1024. Would you not say that there was quite 25 per cent. accretion of actual value?—No, I should not say that.

1025. Twenty per cent.?—I should say there is between 10 and 20 per cent.

Mr. Bartley.

1026. Is it largely in Consols?—No—very little in Consols.

Mr. Hayes Fisher.

1027. Broadly I take it that the actual value of these securities, if they were sold to-morrow, would be substantially more than the 1,263,000*l.*?—Certainly; there is not a single security that is at its face value, they are all at a premium.

1028. One of your largest funds is the "Soldiers' Effects Fund"?—That is so.

1029. That, I suppose, is a fund which is increasing, and will increase?—It is now decreasing.

1030. Would you not go so far as I go and say

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say it is necessary and will increase?—Far from it; I say that in the immediate future the whole of that capital may be taken up.

1031. I do not follow you—how do you mean?—On the 16th May last year the Secretary of State for War withdrew his objections to our applying it fully under the terms of the Royal Warrant of 1893.

1032. That is as to its treatment; but the amount of that surely will increase?—No, I think we shall have to take from capital, so consequently the income will diminish.

1033. But surely the "Soldiers' Effects Fund" to be handed over to you year by year will increase?—There is a great misapprehension in that; when Mr. Lambert was under examination, somebody said that owing to this war we should have an immediate increase on account of the increase in the deceased men's effects. They forget altogether that it will not come to us for six years; by the Regimental Debts Act the estates require to be exposed for six years to claims. We shall have to sell out this year between 3,000*l.* and 4,000*l.* worth of capital; the income therefore will diminish.

1034. Will you agree with this—it is difficult to forecast the future, and the future incomings must depend on the strength of the Army, but no doubt the Fund will be increased some years hence by the abnormal number of deaths in the present year. On the other hand, the abolition of deferred pay—from the 1st of April, 1898, will materially tend to diminish the amount of the assets of the soldiers. Would you agree with that?—I would.

1035. Therefore that is the question I put to you first of all—that the fund will increase?—I should mislead you if I did not tell you that by the withdrawal of these limitations by the Secretary of State we have already overstepped the income, and this year we shall have to take from capital, and it stands to reason that when you take from capital you diminish income.

1036. That is to say that the money already handed over to you from the "Soldiers' Effects Fund" is being used both as regards the interest of that money and as regards the capital?—That is so, and the number of applicants is increasing every day.

1037. But every year there is a Soldiers' Effects Fund accumulating at the War Office, is there not?—But the increments are very small; this year it is only 2,400*l.*

1038. But they are increments?—They are increments, but they are very very small; they will not equal the diminution in capital we are making now.

1039. But in six years' time?—Ah! Who can tell?

1040. Why not?—Deferred pay makes a great deal of difference in the estate of a soldier. The amounts, judging from what I have seen with regard to widows in the present war, and the War Office sometimes informs us of the amount of the estate that is handed over, are not large; there is very little coming to a man who is only five or six months from the reserve; with the separation allowance, and compulsory allotments to his wife there is very little to come from his estate. I do not anticipate it will be so much as many people think.

(O 21.)

Mr. Hayes Fisher—continued.

1041. That is a matter of estimate, but you do not take a very sanguine estimate of the increase of the Soldiers' Effects Fund?—I think it would be quite rash to do so.

1042. Will you tell me the exact legal position of this Fund, as between the War Office and the Patriotic Fund Commissioners?—The Soldiers' Effects Fund was handed to the Patriotic Fund Commissioners in pursuance of the policy on the part of the Government of the day of 1881. Under the Regimental Debts Act the Secretary of State for War is directed to apply it for the benefit of widows and orphans of soldiers. In 1884, as the result of the 1882 campaign in Egypt, they handed over the accumulations at that time, 44,000*l.*, to the Patriotic Fund Commissioners under a Royal Warrant to be applied for the benefit of widows, orphans, and other dependents of non-commissioned officers and men dying in, or by service or within six months after discharge. The Commissioners have now got full powers, as I said on the 16th May last, by letter from the Secretary of State for War, to apply it under all the conditions of the Warrant, and of course the legal position is, that subject to those conditions, the Commissioners can apply it, and equally the Secretary of State for War can issue another Warrant taking back the money.

1043. Then you can apply both the capital and income?—That is so.

1044. But at the present moment you are making a large invasion on the capital?—That is so; we have already got about 2,300*l.* over the income, and we are only four months into the year.

1045. The money from the Soldiers' Effects Fund is handed over to you under the Regimental Debts Act of 1893?—Well, it is handed over to us under Royal Warrant; the Regimental Debts Act simply gives the Secretary of State for War the power to apply it in that way.

1046. Notwithstanding the Regimental Debts Act of 1893, might the present Secretary of State for War refuse to hand you over any further sums coming from the Soldiers' Effects Fund?—As I said before, we are simply the executors of the will of Parliament and the Government of the day.

1047. Could he to-morrow, by a fresh Warrant, keep the control of the Soldiers' Effects Fund, either in his own hands or hand it over to somebody other than the Patriotic Commissioners to administer?—Distinctly; I should say that goes without saying; those who can issue a Royal Warrant giving, can issue a Royal Warrant taking away.

Chairman.

1048. The power is permissive?—It is; it is not obligatory to give it to us or to anybody.

Mr. Hayes Fisher.

1049. Dealing with funds generally, how far would you say these funds are already earmarked or pledged for special widows?—Of course the funds raised in connection with special wars and special disasters are necessarily allocated to those, so that, as I said when Lord James questioned me, it is the general funds

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that are now not applicable to any particular class, but, of course, the beneficiaries that are on them now have a claim to those allowances that they enjoy now until they die. It is not a question of merely a temporary benefit, because we generally give—and find that is the best policy—allowances for life, during widowhood.

1050. When these special beneficiaries under these special funds die, will the capital be available, or is the capital being drawn upon?—The theory is that the capital will be used up, because the actuary advises us that the whole of the capital as it exists now shown in these statements, will be required to discharge the liabilities that are at present upon the fund.

1051. Was that the intention of the Patriotic Commissioners?—That is the intention.

1052. Then you would not anticipate that there would be much surplus, if any, when those special beneficiaries cease to exist?—There is bound to be a small surplus.

1053. You are bound to allow a certain margin?—Undoubtedly, except in a tontine you cannot run out to the last penny.

1054. You think that the margin will be very small, that the amount left at the disposal for widows and orphans similarly placed would be very small?—The Commissioners are looking forward with great interest to the report of the Institute of Actuaries on that point. They have given the necessary particulars for all the funds, and I pressed them in consequence of what Lord James said to me the other day since I was here to expedite their reports in order to put them before you. These will show more clearly than any words of mine what may or may not be available in the shape of capital from all the funds.

1055. May the Patriotic Commissioners spend the whole of this capital, or are they confined in the case of any of these funds to the annual income?—They could spend the whole of the capital in all cases, except those for the maintenance and education of orphans. In these it is, of course, clearly a financial ruling principle that they must keep within the limits of the income.

1056. Have you formed any idea—I think it would be rather difficult—of what sum in fact remains to-day for distribution for new widows at the discretion of the Commissioners?—The year 1900 saw us freed from all the trammels placed upon us by Acts of Parliament and Trust Deeds, and looking at the rate of progressive expenditure of 1900, I do not think any man could foretell that there would be any specific sum. Our expenditure is increasing on all the funds—general and special.

1057. You would not like to give any rough estimate?—I do not think it is possible.

1058. You could not estimate the amount of money that is left, either to pension fresh widows or to supplement pensions that have already been given by you or will be given by the Government?—That is so, subject to what I have said just now—that with the actuary's report we shall be in a better position.

1059. Do you think we could obtain that information from the actuary—that we could obtain an estimate?—Oh, certainly; but it will be only up to the end of last year and since

Mr. Hayes Fisher—continued.

then our expenditure has been progressive on the biggest fund we have—that is, the Patriotic General—because we have so many claimants, still Russian War widows, whom we want to relieve, and other necessitous cases we have already relieved and are going on relieving.

1060. I will put my case in an alternative to you. Supposing that the Patriotic Commissioners were to continue to maintain all the widows and orphans and dependent relatives at present upon those funds, could we obtain from the actuary what money is still left over for further distribution to widows and orphans, either as an original pension or as a supplementary pension?—You could only do so by stopping the whole of the work of the Patriotic Fund Commission. Day by day we are continuing to relieve.

1061. In the alternative, could we obtain from him what sum of money would be available either for fresh original pensions or for supplementary pensions in case the Patriotic Commissioners were to withdraw the grants which they have already made to widows who under the scheme of the Government would be morally entitled to a pension?—The scheme of the Government is only for war pensions; the majority of cases we are dealing with are not war pensions.

1062. I am quite aware of that, but a considerable proportion of the widows to whom you have recently allotted pensions would be widows who would have a first claim on the Government fund?—And we shall use these funds to supplement the Government pensions where necessary, but also to level up the women off the strength.

1063. I will go into that presently. I think you see my point there—that these more recent pensions at all events have been given to widows who will come within the scope of the Government scheme?—Certainly.

1064. And therefore the funds under the control of the Patriotic Commissioners will be to that extent released?—From the Transvaal War Fund—that is so; that is the object and purpose of the fund.

1065. Do you think we can obtain an estimate of the value of that release from an actuary?—Not till the war is over.

1066. I have only one more question on the funds. What portion of your funds must be specially set aside for the widows of sailors rather than soldiers and of soldiers rather than sailors?—A very small portion. The Royal Naval Relief Fund is the only portion specially set apart, for the Government in 1881 in framing the Act of 1881 stated that surpluses should go to a patriotic general fund, and consequently they are applied without discrimination to Navy or to Army, and on the Patriotic General to-day it is a curious fact that the majority of the recipients of benefit although they are all Russian War widows are reversing the order of 1854 because Naval widows are surviving and coming on now in greater numbers than in the Army. There are more naval widows put on than military.

1067. And therefore if we were to try to divide the whole of the sum now available for pensioning

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pensioning widows and orphans as between the widows and orphans of soldiers and the widows and orphans of sailors, except in the case of such funds as the "Captain" and the "Eurydice" on the one hand and the Ashanti War Fund, perhaps, and the Light Brigade. Except in the case of funds of that kind it would be absolutely at our discretion to divide those between the two branches as we liked?—You would have to undo the Act of 1881.

1068. But supposing, I mean, that we were dealing with the Act of 1881?—And you would be unfair in the doing of it at any time: as to the Ashanti War Fund, for instance, there are more marines on it than soldiers, because they died at the base of operations. That is a curious fact.

1069. Are there not funds in this list of funds which you presented to us that are solely applicable to the widows and orphans of sailors rather than of soldiers?—The Royal Naval Relief is the only one I can say that of.

1070. And the rest of the funds are applicable to both?—To both. You see they are all governed by the Act of 1881. The Act of 1881 governs all surpluses.

1071. I should like to ask you some questions as to the working of the Patriotic Commission. I observe that it is a very large and a very influential body of Commissioners. I think there are 32 altogether?—33, I think.

1072. How are they appointed?—By the Crown.

1073. All by the Crown?—All by the Crown; they have not even any power of co-opting.

1074. Who practically appoints them—we all know what the Crown means, and in some cases the Crown means the First Lord of the Treasury?—The Minister charged with advising the Crown, who is the Secretary of State for War in this case, but the First Lord of the Admiralty, of course, frequently does the same thing, as naval officers have to be put on.

1075. Is there any limit to the numbers that may be placed on?—Absolutely none.

1076. Are members added from time to time?—That is so.

1077. At present the body consists of 32 or 33?—Of 33 with *ex officio* members, the Accountant-General of the Navy and the Accountant-General of the Army.

1078. How often do they meet?—As circumstances require; they meet twice, three times and four times a-year.

1079. Would you say that four times a-year is the extreme limit of the number of their meetings?—But there is the executive.

1080. I am going into that. Will you answer me that question first. How often do the general body meet?—As circumstances require—twice, three, or four times a-year.

1081. Could you give me the average during the last three or four years?—I should think it is between three and four times.

1082. Your books would show that?—Yes.

1083. Is there a good attendance?—Very good; there is very seldom under 15 to 25.

1084. Those would meet three or four times a-year on the average?—I would not say on the average; it depends on how long you take.

Mr. Hayes Fisher—continued.

1085. I take the last five years?—I would rather put in the attendance if you want it, but it has never exceeded four, and I do not think it has been less than twice during the last five years.

1086. The actual work of the association—that being a very large and somewhat unwieldy body—I suppose is carried on at the Patriotic Commissioners' Office by the executive and finance committee?—That was provided for in the original commission of the 7th of October, 1854.

1087. I think the executive and finance committee consists of 24 members, does it not?—That has been owing to a recent addition, but 12 to 16 was its normal number.

1088. It does now consist of 24, does it not?—Yes, by the accident of this war, certain people in Scotland wished representation and they were added.

1089. How often does that executive meet?—Practically during this war it is continuous every week in one shape or form, monthly regularly as a full body.

1090. You have one fixed day for meeting?—Yes, the second Wednesday in every month.

1091. Now, at those monthly meetings, about how many attend?—At my last meeting which took place this month 14 attended.

1092. Take the average attendance?—I should say between 8 and 14.

1093. What is your quorum?—Three.

1094. Have you any difficulty in getting one?—Never.

1095. Not even in the holidays?—Never.

1096. What I want to get at is the actual working of these cases. I should like you to give us the history of an application for a pension from the time of its arrival to either its payment or its refusal. First of all, a letter arrives from a widow asking for a pension. How is that letter sifted?—The first step is to send what we call a particulars form letter, which asks for certain records of the service of the deceased husband or father, and the date of the marriage of the widow, and the number and the ages and sex of the children. The object of that is this: The fund is so very well known that a number of people include in it objects to which it cannot be applied. Therefore, if we were to send them out forms when they applied, it would only be to cause them expense, probably, in getting certificates; and we set them on general lines by an enquiry letter in the first instance. Supposing that the answers to these bring them within the conditions of eligibility to any fund, we send a form of application to be filled up recording the particulars required, and to be supported by three people who state by the printed matter on the form that they are willing to be references for any further particulars that may be necessary.

1097. The forms being properly filled up, what then happens?—If it is a case of application for benefits for an orphan only, the name of the orphan is placed upon a list of candidates, from which selections are made from time to time by a sub-committee for the benefits of those orphanages or schools, such as Wellington College, the Royal Naval School, the Royal School

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School for Naval and Military Officers' Daughters, the Royal Victoria Patriotic Asylum, and the Roman Catholic Orphanages.

1098. Is the sub-committee formed from the members of the Executive Committee?—Yes.

1099. And how many form the sub-committee?—Three is a quorum, but sometimes we have more.

1100. Each case of application for an orphan pension would probably come before a board consisting of at least three?—At least three.

1101. That is more like the practice of Chelsea Hospital than like that of Greenwich Hospital, Mr. Lambert having told us he was the Pensions Board of Greenwich Hospital. You are not the Pensions Board of the Patriotic Fund Commission?—I would not like it to be so, and I would not like it to be possible, because I do not think there would be a more sure way to create want of confidence than that one person should have the patronage of the whole of such a sum as we have got.

1102. When an application for an orphan pension is dealt with, supposing it is refused, is there any right of appeal?—Certainly, and very frequently there are appeals.

1103. And that is often exercised?—Often exercised, but very seldom is it carried to success because of the painstaking examination given in the first instance.

1104. Now we will take the question of pensions to widows—is the same course followed in the case of pensions to widows?—Exactly the same course; the merits are gone into by a sub-committee.

1105. A different sub-committee—have you a separate sub-committee to consider the question of orphans to that which considers the applications from widows?—When we are in peace times what is called the General Purposes Committee deals with these, but for such circumstances as we have had recently, the Transvaal War, it was obvious that the labour would be far too great and they all take it in turn as the claims come in to serve on a sub-committee and deal with them and go into them, and I have different members coming in, and therefore I have different lines very frequently, but there is consistency of action just the same.

1106. Is there consistency of standard?—Well, as a matter of fact, with regard to allowances there has been a general scale adopted subject to special circumstances for this Transvaal War, but it is all provisional for the present time.

1107. How many cases would you say you hear a week—applications for pensions for widows or orphans?—This last year it has been absolutely abnormal.

1108. I am talking of this year?—As I tried to bring home to you a little while ago the year 1900 was the first year that saw us freed from the trammels of Parliament, and consequently we had very few cases before then; we wished to deal with the surplus but we had no power to apply that.

1109. How many Transvaal widows have you pensioned?—That is all this last year.

1110. Please answer that?—About 2,960 have

Mr. Hayes Fisher—continued.

been registered up to when I handed in the paper the other day.

1111. That has involved an immense amount of labour?—I should think so.

1112. How many cases would you say you have had to consider, sometimes, in a week—as a sub-committee?—When the enteric epidemic was on it was morning, noon and night work.

1113. Did a sub-committee sit?—Yes; I have had sub-committees sitting till half-past seven at night.

1114. I am not surprised; I constantly sit at Chelsea until half-past five and half-past six?—We have Chelsea Commissioners on our board too; I do not mean to convey anything.

1115. I want this partly for the satisfaction of the public to know that these cases are properly sifted; I have no reason to think they are not, and I know the labour involved?—The more difficult cases are those of the dependent relatives.

1116. In the case of dependent relatives, I suppose you often refuse applications from these?—Yes, the dependency has not been proved in many cases.

1117. Do they appeal?—They do.

1118. And you hear those appeals?—Absolutely they are gone into, every single case, most minutely.

1119. This is almost a pension board—it can exercise a considerable discretion and latitude in varying these pensions. What is your minimum pension that you have given?—In the Transvaal War, do you mean?

1120. Yes?—Of course the minimum is really the allowance we give to supplement the "Daily Telegraph" annuities. We have given 2s. 6d. a week in supplement of an annuity of 15l. that they give.

1121. You have given as low as 2s. 6d. a week as a supplementary pension?—Purely supplementary.

1122. What is your minimum original pension independent of any other source of income?—The lowest was 5s.

1123. The lowest pension you have given to any Transvaal widow was 5s.?—I would not like to call it pension; that is a provisional allowance. We lay a good deal of stress on it; it may seem only technical.

1124. For my purpose, please call it a provisional allowance.

Mr. Bartley.

1125. Does that mean it does not go on for ever?—It is only during this transition stage—in which a very great deal is done by local bodies until the War is over, and until we know what we can do really.

Mr. Hayes Fisher.

1126. Your lowest provisional allowance to any of these 2900 Transvaal widows has been 5s.?—Yes.

1127. What is your highest?—10s. under the rank of officer; we have a few officers' widows.

1128. Please keep to private soldiers, which, after all, are substantially the bulk of the provisional allowances that you make?—Quite.

1129. You

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1129. You will admit there is a very large variation between 5s. and 10s. ?—That is so.

1130. What governs this variation ?—The rank of the husband.

1131. It is entirely governed by the rank ?—Not entirely ; in colonial cases we have authorised our local agents in Natal and the Cape, on account of the expense of living, to give a uniform rate of 10s.

1132. Is it governed at all by circumstances ?—Certainly.

1133. How do you enquire into those ?—We send the forms of application, that I have referred to, wherever we can through the local branch of the Soldiers and Sailors' Families Association, and the information that comes back in regard to these cases is generally sufficient to enable us to deal with it at once with regard to necessities ; but from time to time we enquire during our quarterly revision, because we issue quarterly the life certificates ; we enquire further into the actual circumstances, and variations take place under those circumstances.

1134. You acquire a great deal of useful information as to circumstances, that is, as to capacity to earn or to supplement the pension from the various committees of the Soldiers and Sailors' Families Association ?—And from the documents that are rendered ; the documents are really very adequate.

1135. You have worked most harmoniously with the Soldiers and Sailors' Families Association ?—That is so.

1136. Would you say as a rule that they were nearly always able to supply you with accurate information on which you can base your variation of pension ?—Undoubtedly. We are indebted to them very much indeed ; all the same, of course, if you will allow me to say so, I think there are individuals everywhere and anywhere, throughout the length and breadth of the land, that would give us equally good information, and have done so.

1137. But you would not know to what individual to apply in a remote village ?—Yes, the mere fact that we have some 3,000 widows continually under payment all through the world, constitutes agents all over, because the widows have to go before the people to get their documents attested, and I have never found any one of these people but who takes the keenest interest in the welfare of the people whose documents they attest, and they have always been a source of ready information, and an individual will frequently take trouble to get details that sometimes a committee does not get. One member in a committee will do more, sometimes, than the committee.

1138. What kind of staff of officers have you to carry out this work ?—At the commencement of this war I had four, and I have now sixteen clerks.

1139. Sixteen clerks ?—Well, I have two or three that are superior assistants. I have a retired officer of the Army as an assistant secretary, and I have as my chief clerk one who has been there for 30 years.

1140. And you have had to very much enlarge your staff ?—Very much.

Mr. Hayes Fisher—continued.

1141. Could you tell us at all approximately what is your present cost of administration ?—I put it here that the expenditure in management in 1900 was 3,210*l.*, which, if you run the percentage on the 84,272*l.*, you will find it is slightly under 3½ per cent. of the expenditure.

Chairman.

1142. It is in the Report, is it not ?—In that slip I gave to your Lordship.

Mr. Hayes Fisher.

1143. Is that the total, do you know—3,210*l.* ?—That is every expense, including retired allowances to old office staff members, and every single thing.

Mr. Bartley.

1144. Rent ?—No, rent is provided for us by the Treasury.

Mr. Hayes Fisher.

1145. As a rule you have applied to the Soldiers and Sailors' Families Association for your information, but you have, in addition to that, I believe, set up various committees ; you have promoted yourselves the formation of various committees in certain centres ?—In certain centres, but I should be doing an injustice to a very numerous body throughout the country that have helped us, that is Reservists' Funds, if I did not mention them ; we are in direct touch with several Reservists' Funds ; for instance, in Nottingham we do the whole of our business through the Reservists' Fund, because they are very active in the matter ; they compel by their efficiency our respect for their assistance.

1146. As a matter of fact you go for your information wherever there is activity and zeal and knowledge ?—Undoubtedly, and find no difficulty in it all.

1147. So far as your opinion is concerned, do you think then that it is necessary to bring into being all over the country an entirely new set of committees in every county and every county borough ?—I do distinctly ; for this reason, that anything worse than the chaos of this last war could not possibly be, and it is to avoid that, by preparing in the time of peace and giving work in time of peace for the various objects connected with our sailors and soldiers that I look for more benefits to come from these local committees.

1148. Then it is not at all because you have failed to obtain knowledge of the various circumstances of the widows and orphans whom you want to benefit that you wish to bring these new committees into being ?—Certainly not, and I will go farther—also get people throughout the length and breadth and of the land to agree upon some system of collection of funds, so that we do not compete with one another. There has been nothing more mischievous in the whole of this Transvaal War enthusiasm for sufferers by the war than the competition of one body with another, one getting too much and another getting too little.

1149. I will ask you, as a man of wide experience and as a man of the world, do you think that where these strong committees—the
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Soldiers and Sailors' Families Association, or strong bodies such as the body you have just spoken of at Nottingham, that took a great interest in Reservists exist already and are active, zealous, and influential, and acquiring great information—you will successfully establish another Committee to do much the same work?—I do, indeed. There has been a remarkable change in this last year; people who would not think in the direction which I have indicated are coming round to see that it is really a common-sense way of doing and sink all their specialities.

1150. I will put it to you quite distinctly—do you think those Committees you have spoken of will be dissolved?—Certainly; I think they will dissolve of themselves, and they are dissolving now.

1151. And Committees that have been in existence for many, many years before this war?—Do you refer to the soldiers and sailors?

1152. Yes?—Certainly not. I should say that would be a national misfortune if they were to be dissolved.

1153. If they were not dissolved there would be still two Committees doing much the same work?—I think not. I think there is a good deal of misapprehension in that.

1154. We will take a concrete case. Take a county in which there is a very strong branch of the Soldiers and Sailors' Families Association embracing all the most influential people collecting a vast amount of money as they have done for the relief of widows and orphans, and you have been applying for your information hitherto to that Committee. The Lord Lieutenant calls into being another Committee. To which of those conditions would you apply? The one that had hitherto given you most valuable information, or the new one of which you knew nothing?—I think that rather assumes a state of affairs that I do not think will exist under a sapient Lord Lieutenant. I think he will settle all those difficulties you are referring to by a natural process. I think he will bring all those elements into co-ordination. There will be various local Committees of the Soldiers and Sailors' Families Association according to Petty Sessional Divisions which will still work quite easily with a County Committee.

Earl of *Dartmouth*.] Might I just state the position in *Staffordshire* at the present time. We have a local representative committee dealing with all these matters that were referred to in the Lord Mayor's appeal. What I imagine will be the result of this is, that practically that committee which has had a vast and bitter experience during the present war and have learnt many useful lessons, will continue to act on the committees that may be established.

Mr. Hayes Fisher.

1155. I am only trying to point out that you might set up a new committee but still you would have rival committees doing branches of the same work?—I do not think you will ever be able to stifle any committee that chooses to set itself up. I think that is due to a cardinal principle, our liberty of thought.

Mr. Hayes Fisher—continued.

1156. I should like to ask you some questions as to the present way you deal with your funds, and after that to put to you some further questions as to the Government proposals, and as to how far they will dovetail into your present policy. The objects of your relief at present are 4,722 widows?—That is so.

1157. 4,188 children?—That is so.

1158. And 324 dependent relatives?—Considerably increased since the 31st December.

1159. Did not I gather from you that 90 widows were having provisional allowances or pensions, or whatever you like to call them, in the Colonies?—That is so.

1160. Are they all widows of Colonial soldiers who have fallen in the Transvaal War?—That is so—of irregular troops and others resident in the Colonies.

1161. They are not dependent relatives; the 90 are widows?—90 widows.

1162. No children?—No, they may have children.

1163. I only want to get the figure clearly; you are now giving provisional allowances or pensions to 90 widows of Colonial soldiers who have fallen in this Transvaal War?—Or intend to give them; these are the numbers as I say which are registered, and we shall have far larger numbers.

1164. Then it is their present policy and intention to give pensions to the widows of, say soldiers coming from Australia and from Canada as well as South Africa?—The only exception to that is Canada.

1165. Why not Canada?—I was going to explain how it is. We are bound to give to every widow and orphan of a Colonial soldier that has fallen in this war relief on the same principle as we give to anyone else. The contributions from the Colonies have been very large, but Canada has through the Governor General communicated with us and begged that no allowance shall be given from our funds because they have an ample patriotic fund in Canada and wish to do what is necessary for the widows and other dependents of Canadian soldiers without coming to the parent fund. That is why I said "except Canada."

1166. You used a phrase just now, "Are bound to give to widows"—that you and the Patriotic Commissioners were bound to give the widows and orphans of Colonial soldiers relief?—That is so.

1167. What do you mean by the word "bound"?—We gave a pledge to the Lord Mayor at the very outset that the widows and orphans of the Colonial forces had equal claims with those of the Imperial forces.

1168. Whether or not you obtained any contributions from those colonies?—But we know that the Lord Mayor has received very large contributions from the Colonies and that makes an additional obligation.

1169. I entirely agree with your policy; I asked you in order to get it out. What pensions do you give?—10s. a week we have given in the Cape, and 2s. 6d. a week for each child; but these are provisional again too.

1170. And you fixed that pension at 10s. as compared with 5s. in this country because the expense

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expense of living is very much higher?—I do not know whether you know; I was myself out in South Africa at the commencement; I was met in every way by the Colonial people, and I had the power to fix the rate and I fixed it there and then, because I had to leave agents behind me with the power,

1171. I rather put it to you that you did fix the pension at 10s. as compared with 5s. given to widows of soldiers in this country, and also at 2s. 6d. to children instead of 1s. 6d. or 2s., because the cost of living is very much greater in South Africa than it is here?—That is so, and in some parts of South Africa even that would not be adequate.

1172. Can you divide up these 90 widows into those residing at the present time in South Africa and in Australia. I understand none do reside in Canada?—We have had applications from Canada.

1173. Can you divide them for us?—Certainly, we know where they all reside.

1174. Could you do it now?—I could not do it now without going into an immensity of detail, it is now in process of being done in connection with giving the War Office a full list of widows and orphans.

1175. What is the rate you give to Australia?—We have not given anything in Australia except donations in solitary cases, because there again several local people have interviewed us. Sir Malcolm McEachern, the chairman of the Patriotic Fund in Melbourne, engaged to do everything until the end of the war in the way of temporary relief and so relieve us, but we register the cases and they will be dealt with hereafter.

1176. Are these 90 cases all cases of widows residing in South Africa?—No, they are partly in Australia and New Zealand. I think you have not quite grasped what I said when I handed in that list of particulars. I said it was a list of applicants registered to date, and among them were 90 colonials. I did not say we had given allowances to those 90.

1177. Can you tell us how many you have given allowances—not to how many it is your intention to give allowances?—I do not know that I can because I left behind authority.

1178. I do not think that information would be very difficult to get, and I attach a good deal of importance to it?—If you would let me explain, I left behind an agent—the Chief Paymaster in Cape Town—and he is affected like everybody else with the pressure of the war, and I have had no pay lists from him of his payments; I have written to him and also written to the War Office to get them, but I am not yet in a position to say exactly what are the payments made in South Africa.

Mr. Kearley.

1179. When did you come back from South Africa?—A year ago.

1180. Last October?—March 1900. Up to September, 1900, we had pay lists.

Mr. Hayes Fisher.

1181. Could you not hand us in approximately a list of all the widows who have received (0.21.)

Mr. Hayes Fisher—continued.

pensions, the amounts they have received, and whether they reside in South Africa or Australia?—Yes, there are none in Australia.

1182. I want the number of widows who have received pensions from the Patriotic Fund Commissioners, in one column giving the widows now residing in South Africa, and in another column giving the widows residing in the various Australian colonies?—Well, I will tell you at once there are none in Australia by reason of the arrangement we have made with these local funds that they should to the end of the war take the provisional liabilities. They are only in South Africa, and it is a very small number.

1183. You will perhaps kindly send us that information. I understand from you further that, supposing this money is still entrusted to the distribution of the Patriotic Fund Commissioners, it is their intention to give pensions to widows of all Colonial soldiers who fall in this war, except those in Canada?—Certainly; and with the Government of India we have arranged to give likewise to native bearers, and they estimate that the expenditure will be 1,000l. a year.

1184. Have you given anything at present?—Not at present; they are dealing with them in India, and will send them to us.

1185. With reference first of all to the pensions given to those widows who came upon your funds before this war, how far are they irrevocable?—None are given as a right; consequently the word "irrevocable" is not in the dictionary of the conditions of these trust funds, but the Commissioners invariably recognise the moral right, so long as they are deserving and widows, to the allowance they have enjoyed for life.

1186. Once having obtained an annual pension from the Patriotic Fund Commissioners, practically you have obtained it for the rest of your life, subject to good character or remarriage?—Certainly; increasing in old age.

Chairman.

1187. Supposing you hear a woman gets a legacy of 5,000l. left to her; what do you do then?—We suspend the allowance.

Chairman.] Then you must qualify your answer—

Mr. Hayes Fisher.

1188. First of all, if you obtained any information that she was leading an immoral life, you would stop the pension?—Certainly.

1189. Secondly, if you obtained information that she had, as Lord James says, come into a legacy of 5,000l., or I will put it that she was in really affluent circumstances, you would then stop the pension?—Certainly; and we have had instances of a woman relinquishing it from the same cause.

1190. The pension really is drawn from charitable funds?—Yes, and that governs naturally the principles of administration.

1191. And it is not in any way intended to be a matter of right for a person who is at the time or becomes afterwards in affluent circumstances?—I should say it was contrary to the principle

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on which the money was raised, and it would be a public misfortune to deal with it in that way.

1192. Thirdly, you would make enquiries as to re-marriage?—We require them to declare that they have not re-married.

1193. What is your practice in cases of re-marriage?—It varies. In the old Patriotic Fund and the "Captain" and "Eurydice" which followed the same lines was what we called half allowances. It was not strictly half, but a 5s. woman got 2s. 6d., and a 6s. 6d. woman got 3s., for instance, so that it was not absolutely a half-rate.

1194. What is your practice generally, apart from those special funds?—Latterly the Commissioners have come to see that perhaps that does not work as well as people thought.

1195. The half-allowance?—That is so. And that it was better really to make the man who married the widow support her, but if misfortune fell upon them we gave them sometimes as much as they had when they were widows. I will give you an instance. We had a widow who married an old soldier in the same battalion as her husband served in. He had 9d. a day pension and she had 2s. 6d. a week from us, and their condition in old age owing to ill-health was absolute misery. In that case the Commissioners gave the woman a full widow's allowance; the husband had served his country well, and she was the widow of a soldier who had died in the service of his country, and the Commissioners gave them an increased allowance.

1196. Although she was not a widow?—Although she was not a widow. That is in furtherance of the principle that it is a charitable fund.

1197. But your practice until lately was to give half?—Half; and now we do not give any.

1198. But, supposing again, the second, third, or fourth husband dies, and she again becomes a widow?—Then we restore her to full allowance.

1199. After enquiry?—After enquiry as to necessity; the same thing commences again.

1200. You have had a large experience. What is your personal preference as to the system to be followed on remarriage?—My personal preference is distinctly to give nothing; I think the spirit of self dependence is thereby encouraged.

1201. But, supposing you do not give anything, and that it becomes known you would not give anything on remarriage, do you not think it would constitute some temptation to live in a state of concubinage without marriage?—I think not, for we have a system of keeping them on the books continually even when they re-marry.

1202. Have you now abolished the former practice of giving any pension at all on remarriage?—Yes. With regard to the Zulu War Fund it was tried, and it has answered very well indeed.

1203. But you have not had sufficient experience to say whether my suspicion might be justified or not that people might live in a state of concubinage without marriage if they knew that the pension of 5s. or 10s. a week was going to be dropped?—I think we have adequate experience to say that there is not the desire to live in concubinage to enable them to draw the

Mr. Hayes Fisher—continued.

allowance. People live very much under observation when they make declarations.

1204. When did you abolish your system of paying half?—It was in connection with the Zulu War Fund.

1205. About what date?—1897.

1206. Then you have only really had four years' experience of the system. I am not at all saying you are not right?—I think that it is a thing which is open to difference of opinion, but I think there is a great deal of mischief in giving allowances which cannot be a maintenance allowance.

1207. What is the form of your promise to pay the pension or provisional allowance?—I have not brought the letter with me, but it is to the effect that this must be regarded only as a provisional allowance pending the termination of the war.

1208. Perhaps I ought to have asked you what was your form with the old pensioners, putting aside the Transvaal War cases altogether?—Generally speaking it was simply granting an allowance during widowhood subject to compliance with all the requirements of the fund, not to be regarded as theirs by right and renewable only from quarter to quarter according to their circumstances at the time of rendering their quarterly declarations.

1209. I suppose it was practically known that they had the pension for life, subject as I say, to good character, as to their circumstances not changing very much for the better, and to re-marriage?—The Commissioners themselves would wish that it were understood so.

1210. How are these pensions paid?—By Post Office Order quarterly.

Mr. Bartley.

1211. In advance?—In advance.

Mr. Hayes Fisher.

1212. Dealing with the Transvaal widows, have you adopted a different form to that?—Not in regard to the life certificate; the life certificate is the same.

1213. But you told me just now that that form states that it is a provisional allowance to the end of the war?—That is the letter notifying the grant.

1214. Are these pensions also paid quarterly through the Post Office?—That is so; they are regularly assimilated now just the same as others subject to revision every quarter.

1215. Quarterly in advance through the Post Office?—That is so. We sometimes pay weekly where it is necessary.

1216. You are aware now, of course, that the Government intend to give State Pensions to the widows and orphans of all soldiers married on the strength who have fallen in this war?—That is so.

1217. That will therefore release you from a great many of your provisional obligations?—Certainly; it will mitigate the financial condition.

1218. Enormously?—Enormously.

1219. Are you acquainted with the Government scheme?—Yes.

1220. My questions are directed to what you are

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are going to do with this money which is now released when the Government scheme of pensions is in full force. I want to direct your attention to this point: has it struck you that certain classes are now left out under the Government scheme?—Those married without leave.

1221. That is married off the strength?—Off the strength.

1222. Have you formed any idea as to what your policy would be when that scheme came into force.—Yes? the Commissioners have undertaken to bring up the pecuniary circumstances of the widow off the strength to the same standard as those of the widow on the strength, and that means that, for instance, things being *pari passu* in the case of a widow with 5s. from the Government, we should propose to supplement hers by 2s. a week to bring her up to what I stated at the last meeting was agreed to at the Mansion House as the minimum.

1223. First of all, would you mind keeping to those off the strength? The first branch of your policy would be directed towards giving all widows off the strength the same pension which the Government *pari passu* were giving widows on the strength?—No, I was going on, but you stopped me; we will supplement the Government pension.

Chairman.

1224. The Government pension does not go to those off the strength?—We would supplement the Government pension, and, secondly, we would bring those off the strength up to the amount of the Government pension plus the supplement.

Mr. Hayes Fisher.

1225. I beg your pardon, you are quite right?—I tried to follow what you desired to put to me.

1226. Your first policy would be directed towards giving to the widows of soldiers off the strength the same pension which the Government give plus the supplemental pension which you give?—Yes, if their circumstances required it.

1227. I find I cannot put it quite in the sequence I would have liked, but part of your new policy would be to supplement to the widows of those on the strength the pensions which the Government give?—Certainly; 5s. is not adequate in a number of cases.

1228. I think you have stated before that you agree that 7s. is the irreducible minimum?—Of course, as Lord Dartmouth would bear out, we had some discussion at the Mansion House on those points; the Patriotic Fund Commissioners did not like a minimum standard, because there are many cases in which they would give nothing; it is more their desire, looking to the varying circumstances of those who have fallen in this War—the Reservists have been brought in, for instance—to place the widow very much in enjoyment of a moderate maintenance according to the class of life she was in. Therefore I hope there will be very varying circumstances, and that there will not be a hard and fast scale at all.

1229. But you would rather be in favour of 7s. instead of 5s.?—Distinctly, provided we have funds.

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Mr. Hayes Fisher—continued.

1230. These are two branches of your new policy: one to supplement the Government pensions to those whom they do give pensions, and, secondly, to give pensions to widows off the strength where the Government give no pensions at all. Now I will take you to a third case. I do not know whether the Government intend to give pensions to widows and orphans of Colonial soldiers, but supposing that were not included in your scheme you would take that as a leading branch of your new policy, to give pensions producing a similar scale of comfort to Colonial soldiers' widows as you propose to give to widows of British soldiers?—Exactly the same, and we should bring them up to exactly what those at home get, taking into consideration the conditions of comfort which obtain in each Colony.

1231. You would practically put the widows of Colonial soldiers on the same footing as the widows of British soldiers?—Yes.

1232. That would be three branches of your policy. Will you consider the question of remarriage? If the Government scheme should not entertain the granting of any pension to a woman on remarriage, would you entertain it?—I think not, but that is governed by finance where you have such large numbers as we have in the Transvaal War. I think it is really premature to talk of that.

1233. I have got you to give three branches of your policy. Then I take the case of dependent relatives. The Government scheme will certainly not embrace any branch of dependent relatives. Would you continue your policy of giving grants to dependent relatives?—The Commissioners are delighted that with regard to a most deserving class of cases they will now have some confidence that they will be able to make allowances, as they have done to widows to the aged dependent relatives.

1234. That is four branches of your policy. As a fifth branch would you say that it would be advisable for the Patriotic Commissioners to continue to give the sum of 5l. down to a widow when she became a widow, in order to bridge over the time probably between the date on which she ceased to receive the weekly allowance as a wife from the Soldiers, and Sailors' Families' Association and the time the Government pension became due?—I think it has worked admirably when it has not been overlapped by such sums as Lord Dartmouth called attention to.

1235. And therefore you would be in favour of continuing those payments?—Certainly.

1236. That is five branches of policy. Then I would direct your attention to the particular case of reservists, who have always had my own intense sympathy. Would you be inclined to consider the supplementing of their pension to a far greater degree than the pension of an ordinary soldier, considering the scale of comfort on which that widow lived when she was the wife of a reservist?—I hope that may be attained.

1237. Take the widow of a reservist with a husband earning 38s. or 40s. a week as a first-class artisan; he is called up, go to the front, and dies. Is she not deserving of a considerable supplementary pension in addition to the 5s. a week

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week which the Government give her, provided that the funds can be obtained?—Subject to that proviso I do not think it is arguable, because the service to the State must be measured by the benefits he has left.

1238. In order to carry out this new policy you would have to inquire very carefully, would you not, into the circumstances of the various applicants?—Undoubtedly.

1239. It would require very careful inquiry when you were dealing with supplementary pensions in order to be fair as to how far you would supplement the State pension?—Certainly.

1240. Through whom would you propose to make these inquiries?—If this new county organisation should come into play we are bound by the co-operation that we have recorded at the Mansion House to work with these county committees.

1241. I am not so sanguine as you are about these committees. Supposing they did not come into play through what agencies would you work?—I indicated to you some time back that there is no lack of efficient agencies, whether it be an individual or whether it be the Soldiers' and Sailors' Families' Association, but I will frankly say that there being nothing in existence in the shape of county committees we should certainly go through the Soldiers' and Sailors' Families' Association committees.

1242. You have it in your mind, of course, that these original State pensions would be paid by some Government department, and through the Post Office?—Well, I was in hopes that it might be possible that the State pensions and our own supplementary allowance might be paid together. I cannot see the force of their not being paid together.

1243. I may say that I entirely agree with you. Would it not be far simpler if this Committee or some body could devise one authority for investigation, discrimination, decision, and payment?—Certainly; and just to follow concretely what I had in my mind, and do not please misunderstand me, that it is in advocacy of the Patriotic Fund especially, our accounts are audited under an Act of Parliament by the Treasury, and I cannot for the life of me see, if we make the payment on what is, I suppose, the strictest audit known to the Treasury officer, why the pension should not go under the same audit. There is the same national guarantee.

1244. Before the granting of the original State pensions a great many enquiries will have to be made?—I should hope so, but I do not know that they will; it seems to me that the tendency is altogether to give them as a matter of right, and I do not quite like it myself.

1245. We have not the details of the Government scheme before us, but there are three points on which information will always have to be acquired: first of all, as to whether the marriage is on or off the strength; secondly, as to whether there has been a remarriage; and, thirdly, as to character and circumstances, because I do not assume that the Government pension any more than the supplementary pension is going to be given to a person in affluent circumstances or who becomes in affluent circumstances.

Mr. Hayes Fisher—continued.

Chairman.] I think you will better examine on this hypothesis, that this will be treated as a right accruing to the soldier when he enlists like a Civil servant becoming a clerk in an office, and that with one exception only, immorality, that is a right which will accrue to the widow independent of circumstances. I think you will find that is the best theory to take.

Mr. Hayes Fisher.] I take it on that hypothesis, but I will leave the State department that pays this pension to ascertain whether the widow is the widow of a soldier on or off the strength, and whether the widow has actually ceased to be a widow by remarriage; I still leave both those circumstances

Witness.] The one is automatic.

1246. I leave another—that the State will have to make enquiries as to the number of children?—That is so.

1247. We know in the case of a war sometimes a child is born after the death, we have that information constantly given to us—that another child has come into existence. Those inquiries at all events will have to be made, and therefore it strengthens both my case and yours, and I believe we both subscribe to this, that it would be simpler if we could devise one authority for the investigation, discrimination, decision and payment of both the original pension and supplemental pension, if any should be thought necessary?—I am perfectly certain that is both economical and efficient in principle.

1248. I am not at all wedded to any ideas, and I have come here with a very open mind on this matter; but I am to put one or two questions to you, and I am not very sure that we shall agree. You are aware that Greenwich has to make these inquiries; Greenwich gives pensions already to the widows of sailors dying through the service of the country, and at Greenwich Hospital inquiries, therefore, have, to a certain extent, had to be made. Chelsea Hospital, you are aware, does not give any pensions to the widows of soldiers or sailors, but it has to make constant and minute inquiries in thousands of cases to find out what is the earning capacity of a soldier, who is applying for a pension invalidated by wounds or by disease through service. I am to put this to you: Might not Chelsea and Greenwich undertake both the granting of the State and the supplemental pensions to widows?—I do not much care what the office is that does it as long as it is not official. I think it is absolutely foreign to any branch of the War Office or Admiralty to deal with these matters.

1249. Then you think that the present system by which Greenwich pays its pensions to the widows of sailors is a very bad system?—I think it is an overlaying of Admiralty work that would be very much better got rid of.

1250. Have you ever heard any dissatisfaction expressed with the present system of paying pensions to the widows of sailors through Greenwich Hospital?—I do not think it is a question of dissatisfaction. I did not mean to convey that there was any inefficiency.

1251. Then why do you disapprove of the system

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system?—Because I do not think it has anything to do with the administration of the Navy and Army *qua* administration, and every branch you add to the War Office and Admiralty is simply clogging the wheels of administration in the Army and Navy.

1252. Do you think it is a bad system that Chelsea Hospital should have anything to do with giving pensions to soldiers?—That is quite another thing.

1253. Why? What is the difference?—Because that is part of the contract of a soldier when he enters, but surely the very fact that you are sitting here as a committee to devise the best means for supplementing the pensions of widows and orphans creates a knowledge of the fact that you have got to look to the outside public, have you not, whereby to get the means of supplementing these pensions, and anything that savours of connecting the distribution of those moneys with officialism I say will absolutely kill sources and any efficiency and will lead to all sorts of chaos again.

1254. You evidently think that the present system adopted by the Admiralty is a very bad system?—I do. I have never concealed my opinion of that.

1255. You would be entirely opposed to any suggestion of mine that Chelsea and Greenwich should undertake the payment of the original and supplemental pensions with all the investigations necessary for that purpose?—I think that all those investigations are far better done by a public body that is open to having public forces brought upon it otherwise than politically.

1256. Yet your own opinion is that there should be one authority and one authority only to pay both the State and the supplemental pension?—Certainly.

1257. What authority do you think that should be entrusted to?—I think and hope that this Committee will devise a scheme of national organisation which will provide for audit of accounts something similar to what already exists as regards the Patriotic Fund Commission, bringing into co-operative working the local bodies with a great central authority.

1258. You talked of the confidence of the public. You were yourself a witness before the Collins Committee, and the Collins Committee, whether rightly or wrongly, came to the conclusion that there had been a great want of confidence in the management of the Patriotic Fund, which had led to the withholding of contributions?—I think very unjustly.

1259. But they did come to that conclusion?—Yes, on very little of fact—on a good deal of assertion.

1260. And also they desired “To record our opinion that unless they radically change their present method of administration so as to make it at once more business like and more elastic, and also take steps to ensure complete and cordial co-operation with the persons distributing local funds the public confidence, which has been rudely shaken, will never be restored, and thus the only central fund in the country for the permanent relief of the widows and orphans of soldiers and sailors will cease to exist.” If

Mr. Hayes Fisher—continued.

Lord Justice Collins’ Committee have rightly gathered the feeling of the country, it is hardly probable, is it, that new funds would be entrusted to the Patriotic Commission if they have rightly gathered the opinion of the country? I demur entirely both to the premisses and the conclusion.

1261. So far as we have any evidence of that, what amount of money was actually sent to the Patriotic Commissioners without passing through the Lord Mayor? What was ear-marked for the Patriotic Commissioners?—That is begging the whole question; I could not answer it in the way you put it. The fund at the Mansion House was opened by the appeal of the Duke of Cambridge as head of the Patriotic Fund Commission for subscriptions, and every one of the subscriptions sent to the Lord Mayor was sent for the Patriotic Fund Commissioners. It has been our machinery of recent years altogether to make our appeals through the Lord Mayor.

1262. A certain amount of money, surely, was sent to the Patriotic Commissioners direct, was it not?—Certainly; but we never appealed for it to be sent direct; it was sent without any appeal of any kind at all.

1263. Did the Lord Mayor appeal for you?—Certainly he did; we were the founders of the fund.

1264. Did he appeal that it should be sent direct to you?—No; the appeal was made direct to the public through the Lord Mayor; but it was in the advertisement from the very first, and I handed in a written statement last time as to the foundation of the fund showing that. The money that was to be appealed for for the widows, orphans, and other dependents of those losing their lives was to be handed to the Patriotic Commissioners. That was our appeal, and I do not at all hold with the idea that there has been any want of confidence in those who attach importance to having an authoritative body which is not liable to be swayed by this clamour and the other clamour, and has its accounts and its securities tested under responsible authorities such as the Patriotic Fund Commission. I think that there has been more theory than practice—assertion more than fact.

1265. You would deny that any argument of want of confidence can be deduced from it, but, as a matter of fact what money was sent direct to the Patriotic Commissioners for the benefit of widows and orphans?—450,000*l*.

1266. That was sent direct?—Yes, I say it is direct when it was on our appeal through the Mansion House.

The Earl of Dartmouth.

1267. As regards the Lord Mayor’s fund, the original appeal was made for several funds, the Royal Patriotic, Lloyd’s Patriotic, the Red Cross, and the Soldiers’ and Sailors’ Association?—As I told you last time, that was my own scheme that the Lord Mayor adopted at my suggestion.

1268. I take it that there was another fund the Lord Mayor had at his disposal, which was a collection made largely by the Mansion House appeal, but which was not specially earmarked for one fund or the other?—That was part of my scheme too.

1269. It

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Earl of Dartmouth—continued.

1269. It was so, was it not that the last sum I have mentioned was allocated by the Lord Mayor as he thought fit?—That was in consequence of a meeting that took place at the Mansion House in December 1899, when Mr. George Wyndham went up and said (and that is the whole point of it), "The money is pouring in far too fast for widows and orphans; you will not have more than 750 widows with their families, and 5s. a week will suffice for them." What a prophecy! That was the whole thing that stopped the subscriptions.

1270. With regard to that 447,000*l.* you had from the Lord Mayor's Fund, was it all specially ear-marked for the Patriotic, or was some of it allocated in addition by the Lord Mayor?—We have never had a penny of the Discretionary Fund which was not ear-marked; it was taken away at that very meeting.

Mr. Hayes Fisher.

1271. You are aware that the President of the Royal Patriotic Commission has written a letter placing the Patriotic Commission unreservedly in the hands of this committee for proposals?—The Government rather; it was addressed to Mr. Balfour, but that is practically the same thing, as the Government appointed this Committee.

1272. That, I presume, opens up the question whether this Committee would advise the dissolution of the Patriotic Commissioners or their reconstruction?—Certainly, I should say so; it follows naturally.

1273. If they should advise the dissolution of that body, are there any vested interests they would have to consider?—Only the vested interests of the recipients on the various funds and the members of the Office Staff.

1274. There would be a few vested interests?—Certainly.

1275. I have already called your attention to the fact that I consider it a large and unwieldy body to manage a fund of this kind, and in view of the fact that if the present Patriotic Commissioners should be maintained as a body, a great deal more work must at all events for the next few years be thrown upon them, would you yourself suggest any form of reconstruction with a view to making them a more practical administrative body?—Lord James practically asked me the same question last time, and I said it was a very large question indeed, and I am afraid that anything that came from my mouth, seeing I am a paid servant of the Patriotic Fund Commission, would be liable to a large discount, and I would rather you evolved the organisation out of your own experience than ask me about it. I do not mean to say that I am incompetent to do it, but there are certain circumstances connected with the position of a paid servant, and you have just struck a blow at the Patriotic Fund Commissioners.

1276. I appreciate that answer. I rather wanted to put you a general question with a view to gathering whether the Patriotic Commissioners had as far as your knowledge is concerned themselves at any time proposed any scheme of reconstruction?—They could not, for this simple reason, that they are nominated or

Mr. Hayes Fisher—continued.

appointed rather by the Crown on the advice of the Government; they are the executors of the will of Parliament and the Government of the day. They did try to do something in the shape for instance of getting new blood, and they were told that, constitutionally, they were committing a breach of etiquette and that it was for the Government to advise the Crown on the matter. That shut up the thing. I can say that the Patriotic Fund Commission see that a body nominated in that way is apt to get certainly an antiquated reputation if nothing else, and that therefore that is an objectionable thing. If new blood could be introduced for a period of years instead of for life, I think most of the Commissioners would acquiesce in that as a healthy reorganisation of their body.

1277. I take it generally, that the Patriotic Commissioners are most patriotic men and they do appreciate and value this work, and they leave themselves unreservedly in our hands, either to reform them or appoint any other body or recommend the appointment of any other body which we think could most beneficially carry out this work on which the country is bent?—Quite.

Chairman.

1278. Supplementing that last question, Mr. Kearley has put that into my hands (*handing a document to the Witness*): Does that scheme come from the Patriotic Fund Commission?—No, my Lord.

1279. I do not think you read it?—I know it; it is my own scheme.

1280. Is that your scheme?—That is a scheme I desired to place before Lord Justice Henn Collins' Committee in the belief that they were to do what their terms of reference said, evolve something that would do away with overlapping, waste and inefficiency, but they did not do any such thing.

Mr. Bartley.

1281. Mr. Hayes Fisher asked you a number of questions as to what you were prepared to do for these widows, have you formed any idea of the cost of all that?—It would be impossible, and I think you know much better than most people dealing with money—until we get to the end of the war, and we know the corpus we have to deal with and the total number of recipients you cannot say.

1282. That is exactly what I want to know; have you formed any idea of where all these millions are to come from?—I do not think it will cost millions.

1283. All the things you have stated to Mr. Fisher?—Do you mean with regard to the Transvaal War?

1284. Yes?—No, I do not think it will cost millions—certainly not.

Chairman.

1285. I want to have it clear if you please as to your powers. Apart from the first original Commission I think you mentioned that the Act of 1867 was the Act that extended your powers?—It was the first time that Parliament intervened.

1286. I am speaking of statutory powers. You then

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[Continued.]

Chairman—continued.

then said that they were further extended by the Act of 1881?—That is so, my Lord.

1287. I do not quite see how the Act of 1881 materially extended your powers granted in 1867. By the Act of 1867 there was power given to the Crown to issue a Commission under which you, the Patriotic Commissioners, should be able to apply all your funds, first in the relief of widows and their maintenance, and so forth, being the widows of those who had fallen in the late war with Russia; secondly, in the maintenance and so on of "children of soldiers, seamen, and marines of Her Majesty's Army and Navy who have lost, or hereafter lose their lives in battle in any other war"; and thirdly, in maintenance, education, training, and advancement of children of either soldiers, seamen, and marines of Her Majesty's Army and Navy "who have died in the service of the Crown; so that in the first Act of 1867 you were confined to the widows of the Russian War?—That was so.

1288. And then in 1881: "It shall be lawful for Her Majesty to issue a Commission authorising the Commissioners to apply the Patriotic Fund, and the income and accumulation thereof, or any parts thereof, so far as not appropriated for the Royal Victoria Patriotic Asylum, for such purposes for the benefit of the widows and children of officers and men of Her Majesty's military and naval forces, and in such manner as may be directed." That is the general power you refer to?—That is the general power, because it was practically for a permanent object.

1289. Is there any other statute giving power, or when you speak of a later power, do you mean that the Commission was issued later?—The other power—and it was one which placed a distinct responsibility—was the 1886 Act, which stated that we should ask for, receive, and administer funds from the public. That was a distinct policy.

1290. Did that Act increase the powers of application?—It was issued because it was thought we had not the power.

1291. This is the section you refer to, I think, Section 3 of the 1886 Act. "It shall be lawful for the Commissioners of the Patriotic Fund from time to time to ask for and receive contributions from the public for such purposes (being for the benefit of the widows and children of officers and men of Her Majesty's military and naval forces), and in such manner as may be from time to time directed by any supplemental Commissions under Her Majesty's Royal Sign Manual?—That is so.

1292. What I want from you is this. These are the statutes that confer upon the Crown the power to issue Commissions, under which Commissions you act?—That is so.

1293. It is either statutory direct power or statutory power conveyed through Commissions?—Yes.

1294. And those are the three Acts?—Yes.

1295. I rather asked my friend, Mr. Hayes Fisher, to assume that the Government scheme would be a scheme conferring almost a legal right, with one exception, immorality on the recipient. Of course, if this scheme is promulgated by virtue of a Royal Warrant every soldier who enters the Army will be aware of its existence?—Certainly.

Chairman—continued.

1296. And towards him I will not say it is a positive contract, but it is at least a *quasi* contract, that if he dies his widow will have that pension?—Those that are married on the strength.

1297. You are quite right, those married on the strength. If that be so, of course, if you were to give an elasticity to the voluntary body in determining the amount, apart from what is stated in the warrant the *quasi* contract could scarcely be kept?—Did I suggest that, I would not suggest that.

1298. I want the fact on the note; that you would not be keeping the *quasi* contract if you allowed the Government or the War Office to enter into the question of the woman's means?—Of course, it is a new departure.

1299. What do you suggest if you do not accept that. Do you suggest that the Government should enter into the question of means?—I do distinctly, and I will tell you why, because up to the present, at any rate, the Government and the nation have looked to public benevolence to supply the means of existence, and with regard to this war, certainly the public has made provision of a kind for some of these widows.

1300. Then what is your warrant to be? How do you frame your warrant?—Ah!

1301. It is a practical difficulty; this is a *quasi* contract: what is the warrant to be?—The warrant, of course, might follow the Soldiers' Effects Fund Warrant, which is a permanent warrant.

1302. On what terms?—As to amount, certainly.

1303. On what terms?—I am afraid that is going beyond me.

1304. I want practically to work this out. Can you say to the soldier, "We will undertake to give your widow 5s. a week if you are killed, provided she does not have from other sources such and such a sum of money"?—I think we do so, because, as regards the officer, that plan is adopted now by the War Office; the Accountant General will be able to tell you that far better than I can, my Lord.

1305. Take another view. I suppose in your calculations of what you think you ought to give as the voluntary body, if the widow is a young widow and capable of going into service, and does go into service, you would not give her the same amount as you would give a helpless woman who could not do anything for herself?—Certainly not, that is the very object of this Commission.

1306. Do you suggest that the Government ought to take such a fact as that into consideration?—No, I think that would be rather a dangerous thing in regard to what is certainly a right and part of a contract; I think that would be a dangerous thing, and that is the margin that could be left safely to the voluntary contribution to supplement.

1307. If a civil servant, say a clerk in the Admiralty, enters into a contract, he gets his pension by statute irrespective of any amount of money that may be left to him or that comes within his disposal?—Of course, that is deferred pay.

1308. But you tell the soldier he is to get the advantage

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[Continued.]

Chairman—continued.

advantage of this if he dies?—But that is a continuance for another life.

1309. What then? It is the life he is interested in at the time he chooses to enlist?—But in any case, my Lord, I understand that on remarriage she will not get the annuity.

1310. That is a positive fact, because if we give it to a widow we do not give it to a person who is not a widow, but I ask how the Government can exercise elasticity either with respect to the amount of receipts or the capability of earning of the widow?—I think it is only in cardinal points like means that they could; I do not think even in the case of earnings they should.

1311. Just a question or two about these bodies; I want to know a little more as to the assistance you can give to the Committee with regard to the composition of the permanent body. You wish, I presume, to carry out what Mr. Hayes Fisher said to you, namely, supplementing the Government grant?—That is so.

1312. And for that purpose you want to keep the voluntary body?—Most distinctly.

1313. Now, first as to your central body, do you suggest that there should be one central body controlling the other bodies? I keep them back for the moment, purposely?—I think so.

1314. Within the power of that central body would you bring the War Office or not?—Oh, no; I would keep the War Office outside altogether.

1315. The central body, dealing with the voluntary bodies is to be outside the War Office, but I presume acting in a kind of courteous connection with it?—In co-operation with it distinctly.

1316. In courteous co-operation with it. As to your central body in the first place, have you any idea as to what sort of members you would have on that body?—I agree, in the main with what has fallen from Mr. Hayes Fisher, that you must not have it too cumbrous a body, consequently you ought to have a handy body, but one that will maintain a continuous and active interest. I cannot see how you are to get that without renewal of the body by healthy elements, those elements that will sustain this interest during a limited period.

1317. Those are all very sound general observations if I may say so, but practically what sort of number would you have, speaking roughly?—Twelve.

1318. Twelve, more or less?—Twelve, more or less, rather more than less. I do not think under 12 you could get a national body.

1319. A minimum of 12?—A minimum of 12.

1320. We hear, I think, that there are some 700 voluntary associations connected with these military charities?—Looked at from the point of view of the Mansion House Consultative Council I do not make it more than between 300 and 400.

1321. I thought you had replies from so many, and so many did not answer. I thought that came from the Mansion House Committee?—Those were, of course, all the different funds that were in existence.

1322. Some have passed away, no doubt, but we will call them 300 or 400. You want 12 persons how are you going to select them?

Chairman—continued.

—Of course you must frame your constitution as to who are the best people.

1323. That is the very thing I am trying to do something towards at the present moment. Where are you to get your 12 persons from?—I think you will get some amongst business men and financiers, and I think that there ought to be representatives of official administrators.

1324. Of course, as to business men and financiers there are lots of them about, but who would select these men?—If you make it a body, something like the Patriotic Fund Commissioners, the Government must necessarily place itself in the position of selecting.

1325. Let us try that for a moment, do not suppose that any of us are hostile and we are all trying to see what we can do. The Government you say are to assist. In the first place certain bodies I presume would wish to be represented specifically, for instance the Patriotic Fund Commissioners and the Soldiers' and Sailors' Families' Association, and then you have very large county contributors. Would you place a limitation on the Government's power of selection to the extent of saying that must select from certain bodies or would you give them entire discretion to take whom they liked in their 12 men?—No, I think there ought certainly to be a line taken as to the 12 men; for instance, I should say that distinctly a representative of the Treasury should be upon it to secure what is the highest financial and administrative talent; I think again you ought to have representation of the highest municipal interests; then again I think you ought to have representation of the highest legal interests, and having said that I think you ought to get a financier to make up.

1326. Still, this would be the Government's unfettered discretion. Would you say that certain bodies should be represented, such as the Patriotic Fund and the Soldiers' and Sailors' Families' Association?—I think distinctly they ought to be.

1327. If the Government had unfettered discretion in selecting the persons it would only be using the name of the Patriotic Fund, you would not ask that the Patriotic Fund should select a person for itself?—No, certainly not.

1328. So far we have got your suggestion as to your body. Now you have got your body into existence, would you make it have any power of compulsion in the shape of making regulations, so as to control the different voluntary bodies?—I prefer the healthier plan of the National Consultative Council in getting representation from counties.

1329. You could not get your representation from counties if you keep your body at 12?—Yes, you could, because if you had an annual council the body of 12 would frame their report—let it be to the Crown, as the Patriotic Fund Commissioners do at the present moment, and that report would be circulated to the delegates to the annual council.

1330. But now you have got two bodies, you have now got something else we have not spoken of; we have got a board of 12 men nominated by the Crown, and that is the last we heard of?—Yes.

1331. I ask you how are these rules to be enforced, because you have not told me of any other

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Chairman—continued.

other body; we have voluntary societies with their unfettered constitutions all over the country. How are the Board's regulations to be enforced?—By this annual council, which your Lordship says goes beyond, but it is part and parcel of it.

1332. Call it into existence in your evidence; you have said nothing about an annual council yet. What is it to be?—The representatives of the County Committees.

1333. This is a second body and you call it an annual council?—Yes.

1334. Who are to be your electors to that annual council?—The County Committees.

1335. Would the Patriotic Fund, the "Daily Telegraph" Fund, or any of the other funds be able to have any power of selecting for the annual council?—Oh, no; the authoritative body I spoke of just now limited to 12.

1336. Call that the board?—The board would be representatives of the Patriotic Fund, the Soldiers' and Sailors' Families' Association, and we will say Lloyd's Patriotic Fund.

1337. Representatives on the annual council?—No, on the board.

1338. I want to know what is to go on the annual council. We have disposed of the board, what about the annual council?—The annual council would receive the report of this board.

1339. How are the annual council to be elected?—By the County Committees.

1340. There are other bodies besides the county committees?—I do not think you need, for the purposes of a national organisation to take into consideration any other than these.

1341. I suppose you include county boroughs?—County boroughs it must be in such counties as Lancashire.

1342. And different counties?—That is so.

1343. But no others?—No others.

1344. You leave them outside anything like regulations?—Quite.

1345. Now you have got those bodies; who are to frame the regulations by which they are to be controlled?—They would themselves.

1346. Not the Central Board?—Not the Central Board, but the annual council, if I may say so.

1347. The annual council are to frame the laws?—Undoubtedly.

1348. And then report them to the board?—In the shape of resolutions upon what I would say would be the annual report of the board.

1349. I do not follow this: who are to initiate the regulations which are to control the whole of these bodies?—I should say the board.

1350. They are to initiate?—They are to initiate.

1351. And submit them for approval only to the annual council?—That is so.

1352. Now suppose that there are 200 members on the annual council, that you have a division, and 120 say they will agree to these suggestions, while 80 say they will not, what is to come of the whole of the suggestions?—The majority governs.

1353. How are you to enforce that?—It is only a moral force, in any case, where you have charitable funds.

(0.21.)

Chairman—continued.

1354. You would leave it to that; you would not suggest that there would be anything approaching legislation on the subject?—I think it would kill the whole thing.

1355. Therefore you would suggest first that the Board should frame ideas, I will call them, for regulations and action, and that then they should be submitted to the annual council and the annual council should say more or less, "We accept them," would it not occur that some of these regulations would be very applicable in some of the districts and not in others?—Undoubtedly, and representation would secure the elasticity.

1356. No, when you got the suggestions to the annual council the annual council would say, "These we approve," or "we disapprove." Do you suggest that they should go on and say, "We approve of them as applying to Districts A, B, and C, and not to the Districts D, E, and F"?—I think that is how it would evolve.

1357. That becomes really a kind of moral force in which there would be a request to the districts to vary the suggestions of the central body?—It is only by moral force you can work.

1358. I understand also you wish to put upon record your view that, let the Government scheme stand as it has been suggested for the moment, the funds to come from the public will still be required?—Undoubtedly.

1359. And with the exception of a comparative diminution in the amount, they will be required as much as they have ever been?—Well, I do not think that could be so, my Lord, for the simple reason that we have never had any State pension before.

1360. I said with the exception of a diminution in the amount?—I did not follow you.

1361. With the exception of that diminished amount in virtue of the pensions, you say they will be required as much as they have been before?—That is so.

1362. If that is the view, you would require, of course, these voluntary bodies still to remain in existence as collecting bodies?—Distinctly.

1363. To come now to the administrative bodies, if you had this Central Board would you wish the Patriotic Fund Commissioners to continue as before?—That is, of course, where I felt the difficulty when Mr. Hayes Fisher asked me for my views, seeing that I was a paid representative. I feel myself in the same difficulty.

1364. Let me put it in the shape rather of general principle. As to your two bodies who are collecting bodies, would you leave the administration of the funds of each body in the hands of such body or would you give your central body or your more general bodies you have spoken of, the power of administration?—I certainly feel that if there is a national organisation it will sweep away the distinction between these bodies and necessitate an alteration in their constitution.

1365. I suppose that would be an alteration of the constitution that you would leave to themselves to effect?—I think it will be a natural process in course of time.

1366. Would you not fear that, if you got rid of them for the purposes of administration under
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Chairman—continued.

the natural process you have just spoken of you would also get rid of them as collecting bodies and so lose the subscriptions?—I do not think as long as you keep up the national organisation and complete co-operation between the local people and the central authority whatever it may be, you will ever extinguish, but you will on the contrary add to, the efficiency of your collecting body.

1367. You have just said that you think they would die out as bodies administering the funds?—I think there will be alterations, I do not know that they will necessarily die out, but if the Board I have sketched out worked, they would evolve themselves into this Board.

1368. That board is only a representative board from the associations?—Yes. But I think just as we ourselves have had varying powers and changes brought by time into our constitution, so I think this board would have those changes brought about by natural process.

1369. Are we safe in taking away from bodies the administration of their own funds which gives them an interest in their own funds, and are we still to be able to trust to them to remain in existence as collecting bodies—an existence which you have just very properly told us ought to be secured?—I think it would be most unsafe to part with what is under a guarantee until you see that you get a guarantee that is better or as good.

1370. I do not follow that as an answer to my question. Let us have an answer to my question. My question was, whether you think it would be safe for us to recommend that you should get rid of the administrative powers in these bodies, which, of course, give them a great interest in their own existence, and at the same time be sure that we shall retain their existence for collecting purposes—an existence which you say yourself is absolutely necessary?—Certainly not.

1371. Then you see the difficulty arises that you run some risk of destroying the local bodies?—I think there is risk in destroying any bodies, but at the same time I do not see why there should not be a power of amending by a process of keeping up with the times.

1372. When you say "amending," you must recollect what you say is your way of amending—taking away from them the administrative power?—Not in the first instance; I think that would be most dangerous.

1373. Now go on please. Now do you add to your evidence? If not in the first instance, what then?—I think that out of this board would come representatives from these bodies themselves to agree upon the changes.

1374. What are you speaking of now, the central board of twelve or the larger body?—The central board of twelve; you are to have there representatives from the Soldiers' and Sailors' Families' Association, from the Patriotic Fund, and from municipal and legal authorities—you get all these within the twelve.

1375. I am afraid we are departing from your construction of this constitution because you told us these twelve would be selected by the Government?—Yes.

1376. Then they would not be representative

Chairman—continued.

at all?—Why should not your Committee, and the Government taking up your recommendation, make this board representative in the first instance of certain recognised interests.

1377. See what you say: The Government are to say "We recommend that a board shall come into existence of twelve persons, and those twelve persons shall be elected, one by the Patriotic Fund Commissioners, one by the Soldiers' and Sailors' Families' Association"—and then?—Municipal.

1378. What?—Representatives such as the Lord Mayor of London, the Lord Mayor of Liverpool, the Lord Provost of Glasgow, or Edinburgh, I suppose it would be, and then a legal representative.

1379. That is the Government selection?—Yes.

1380. They will not represent any bodies at all except the Patriotic Fund and the Soldiers' and Sailors' Families' Association?—I think they would if there were twelve; I think you could fill it up to represent interests.

1381. I think your evidence is of great assistance to us, but I thought rather your second body would be your representative body?—Certainly.

1382. Now you are endeavouring to make your first more or less representative?—In the first instance I think you must do so if the principle of amalgamation of interests is to be effected amicably in the first instance, but I think from that very body themselves would come recommendations which would bring it more in touch with the larger body, the annual council represented by the counties.

Earl of Dartmouth.

1383. As regards the representation of the local bodies on the central body, it was contemplated, I think, that there was to be very large representation?—Yes. Lord James has been examining me in your absence about the creation of something that would take the place of the central bodies that exist at the present time. I am trying, if I may say so, to develop the idea that has come from the National Council at the Mansion House with a continuation of something in the shape of what exists at present still maintaining the representative principle as far as possible at the first go off, but I do believe that they would themselves evolve alterations in their own constitution which would be in harmony with the principle of representation and maintain local touch on the central authority. It is a new departure, my Lord; if I am a little tentative, and perhaps a little diffident in going into details, it is because I know—

Chairman.

1384. You need not apologise; we are all in that tentative condition; we are trying to work out the matter as you are trying to work it out. There is one question I omitted to ask you. Now that the Patriotic Fund Commissioners have learned the intention of the Government to confer pensions upon the widows of soldiers is it contemplated to reduce any pensions that have already been awarded by the Patriotic Fund

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Chairman—continued.

Fund Commissioners?—All the allowances granted are purely provisional and certainly some of them would be reduced.

1385. In the case of a woman who got, say, 5s. or 7s., your allowance at any rate would have to be readjusted?—Yes.

1386. And that will practically be done?—Certainly, and I will give you an instance; it is a matter of public importance if I may say so. There are a number of widows endowed for life by the "Daily Telegraph" Fund with 15*l* a year; they have no children; they get 5s. per week in addition from the Government pension, and they do not require any more obviously, and we should give nothing.

1387. Never mind the "Daily Telegraph." Assuming that you have given a certain sum

The Witness is directed to withdraw.

MR. FRANK THOMAS MARZIALS, is again called in; and Examined as follows:

Chairman.

1391. You were asked to be good enough to give the Committee some information about the Soldiers' Effects Fund?—I was.

1392. You have placed the information you have obtained in writing, and will you kindly read the evidence you wish to give us on the subject?—The Effects Fund is constituted under the powers given in Subsection 2 of Section 10 of the Regimental Debts Act of 1893, 56 Vict. ch. 5, and consists of the effects of soldiers remaining unpaid for six years after their deaths. Under the Royal Warrant of the 22nd August, 1893, the funds, as they accrue, are paid over to the Patriotic Fund. They are to be "applied in payment of such compassionate, annual or other allowances, to the widows and children or other dependent relatives of soldiers dying on service, or within six months after discharge, and generally in such manner for the benefit of such widows and children or other dependent relatives of soldiers dying as aforesaid, as the said Executive Committee, or any two or more of them, shall, from time to time, think fit, preferential consideration being given to the widows and children of soldiers on the married establishment, who (a) were killed in action, or died of wounds received in action, or from illness which can be directly traced to fatigue, privation, or exposure incident to active operations in the field, within 12 months of sustaining such wound or contracting such illness; (b) died from an injury directly traceable to military duty within 12 months of sustaining such injury; (c) died from illness directly traceable to fatigue, privation, or exposure in the performance of military duty. The widows and children of Mobilised Army Reserve men dying as aforesaid shall be considered as on the married establishment." The amount paid to the Patriotic Fund by the War Office during the last seven years from 1895 to 1901, inclusive, amounts to 19,000*l*., or an average of about 2,700*l*. a year. It is difficult to forecast the future, as the future incomings must depend on the strength of the Army. No doubt the fund will be increased some seven years hence by the abnormal number of deaths in the (0.21.)

Chairman—continued.

only, and that the "Daily Telegraph" has given nothing, now that you learn that the Government is to give 5s. or 7s. a week, will that cause you to re-adjust?—Yes, and that would be in the direction of supplementing, because we do not consider 5s. a week is adequate.

1388. I did not say that you would take the whole away, but you would re-adjust?—Re-adjust.

1389. That will set free a very considerable amount of funds in your hands?—Undoubtedly, but I think we will be able fully to employ them.

Mr. Hayes Fisher.

1390. You say that you intend to review all these cases in the light of State pensions?—We must do so.

Chairman—continued.

present year. On the other hand, the abolition of deferred pay from the 1st April, 1898, will materially tend to diminish the amount of the estates of soldiers.

Mr. Hayes Fisher.

1393. Do I understand from you that the Fund is at the absolute discretion of the Secretary of State for War?—The Fund is at the absolute discretion of the Secretary of State for War as may be provided by Royal Warrant, subject to its being applied for the benefit of the widows and children and dependent relatives of soldiers.

1394. But might he by a fresh warrant tomorrow hand over the control and distribution of the Soldiers' Effects Fund to any body other than the Patriotic Commissioners?—Absolutely.

1395. And might he by that warrant hand that over for the purpose of original pensions or of supplemental pensions?—I do not imagine that the Act limits him in any way, so long as the money is applied for the benefit of the relatives—the widows, children and dependent relatives of soldiers. I think there is nothing in the Act itself. I will read it if you like—to limit it in any way.

Chairman.

1396. Just mention the Act so as to get it on the Note?—The Regimental Debts Act of 1893—56 Vict. ch. 5.

Mr. Hayes Fisher.

1397. So far as this portion of the funds under the control of the Patriotic Fund Commissioners is concerned, it might be handed over to some other body by a fresh warrant?—Absolutely.

1398. Were you in the room when Colonel Young was being examined?—I was.

1399. These funds might be handed over for the purpose of meeting cases that are not within the purview of the Government State Pension Scheme?—I imagine so. Certainly.

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[Continued.]

Mr. Hayes Fisher—continued.

1400. That is for the purpose of Colonists, for widows off the strength, for dependent relatives, to pay a sum of 5*l.* down to give supplemental pensions to the widows of reservists, and so on. It might be handed over for all those purposes?—Without reading the absolute terms of the Act I cannot know to what extent it would cover all those categories you have mentioned. The Act is in His Lordship's hand.

Chairman.

1401. Is it correct to say that the powers of disposal by the Secretary of State for War under a warrant are to be found within the Act of 1893?—That is so.

1402. There is no other limitation that you know of?—That is so, my Lord.

Mr. Hayes Fisher.

1403. And it is your opinion that that sum therefore—the money derived from the Soldiers' Effects Fund—is available within the terms of our reference for supplementing the scale of Government pensions for widows and orphans of soldiers and sailors?—I am not a lawyer, but I imagine it is so.

Earl of Dartmouth.

1404. A question has been raised about State pensions, and if this scheme that has been suggested should come into operation would there be any difficulty in a local body administering the State pensions?—I think myself there would be a great difficulty in doing that, for this reason—that a local body is more or less a charitable body and bound to administer on charitable principles, whereas the State pensions as far as the intention at present goes would not be charitable pensions but would be pensions almost as one might say of right—good conduct being assumed. I have several times wondered, and discussed the matter on two or three occasions, as to the extent to which we might use any local body that was afterwards established for the purpose of making our payments for us. There would be some difficulty about that because their tendency will be to regard the payments rather as charitable than a right, but if we can use these local bodies for the purpose of effecting the payment at more frequent intervals than we, the War Office, are able to do, then I think it would be an extremely desirable thing. That must depend, of course, ultimately on the exact constitution of the bodies and their responsible powers as account keepers.

1405. If we had on the local bodies, say the officer commanding the regimental district as representing the War Office, would that obviate that difficulty, do you think?—It might, no doubt, through his paymaster; the payment might be effected in that way.

Chairman.

1406. It will save the Committee a good deal of trouble if we go back for a moment to get the statute on the note; is it a fact that the power which you have spoken of as disposing of the fund, is to be found in Section 10 of the

Chairman—continued.

Act of 1893, in the following words: "So much of the residue as remains undisposed of and unappropriated for six months after the publication of the last of such notices shall, together with any income or accumulations of income accrued therefrom, be applied in the prescribed manner in or towards the creation or maintenance of such compassionate or other fund for the benefit of widows and children, or other near relatives, of soldiers dying on service, or within six months after discharge, as may be prescribed"?—Yes.

1407. And the term "prescribed" mentioned in Section 10 is afterwards defined to be by warrant?—Yes. May I mention another point? I was asked last time with regard to the various funds, whether under the administration of the War Office, or known to the War Office, by which any help could be given to the widows and children of soldiers. There was one class of fund I did not mention, and although it is not an important class of fund, I think you ought to know of its existence; that is what is called the Regimental Charitable Funds.

Mr. Hayes Fisher.

1408. I was well aware of those, but I did not know they came under your administration?—They are under the administration of the officer commanding.

1409. But they are in no way under the control of the War Office?—The War Office pass their accounts, that is all.

1410. I was going to ask you about those. They are quite within my cognisance?—You might like to know, perhaps, from an examination of the accounts for the year ending March 31st, 1899, exactly what the amount of the corpus of those funds was.

1411. I should like very much to know that?—And also what proportion of the income has been spent in that year towards the widows and children of soldiers, and what has been spent really for other purposes.

1412. That would be valuable information?—The corpus of the funds on March 31st, 1899, amounted to 58,510*l.* The amount spent in that year as donations to widows and children amounted to 204*l.* 13*s.* 5*d.* The amount given to relatives was 5*l.*; and the total expenditure throughout the year amounted to 1624*l.*

Chairman.

1413. What funds are these, did you say?—Regimental Charitable Funds, instituted under the Savings Bank Act, 1859.

Mr. Hayes Fisher.

1414. Would you mention to us the principal ones and the persons who can give us most information about them?—They vary very much in amount. I think the largest is that of the West Surrey Regiment, which amounted to 7,433*l.*, and the smallest to about 5*l.*

1415. The Royal Engineers and Royal Artillery have fairly large funds?—I do not seem to have those; they may have another fund, but those I have not got.

1416. You

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Mr. MARZIALS.

[Continued.]

Mr. Hayes Fisher—continued.

1416. You have given us the amount of those funds, but those do not embrace, apparently, the fund of the Royal Engineers or that of the Royal Artillery?—No, and I do not know why.

1417. Perhaps they are not audited by your department?—They do not seem to be Regimental Charitable Funds under the Act.

1418. Have you a fund of the 7th Fusiliers or the Rifles?—No.

1419. You have put in a list of certain regimental funds that would be available to supplement Government State pensions—that could be used for that purpose?—So far as they go. Of course the liability on the funds is not exclusively the liability in respect of pensions to widows and children. It applies to soldiers serving, and to any family in distress.

Mr. Hayes Fisher—continued.

1420. And all charitable objects for deserving soldiers in certain regiments?—That is so.

1421. And besides that list which you have given I have intimated to you, and you do not disagree with me, that there are other regimental funds?—There may be, but not within my cognizance; I will enquire about them and let you know.

Earl of Dartmouth.

1422. Would not they have to be applied for the benefit of the particular regiments to which they apply?—Certainly; they are not general funds in any sense.

1423. They would have to supplement the pensions as to these particular regiments?—That is so.

The Witness is directed to withdraw.

Ordered: That this Committee be adjourned to Friday next, at 11 o'clock.

Die Veneris, 17^o Maii 1901.

MEMBERS PRESENT:

Marquess of BATH.
Earl of DARTMOUTH.
Earl of WESTMEATH.
Lord NEWTON.
Lord JAMES.
Mr. ARCHDALE.

Mr. BARTLEY
Mr. HOZIER.
Mr. HAYES FISHER.
Mr. KEARLEY.
Mr. LAMBERT.

THE RIGHT HONOURABLE THE LORD JAMES OF HEREFORD IN THE CHAIR.

SIR EDWARD LAWSON, BART., is called in; and Examined, as follows:

Chairman.

1424. You have been good enough to attend to give us some information with respect to your "Daily Telegraph" Fund which you called into existence to aid those engaged in the war? As we know, you are the proprietor of the "Daily Telegraph"?—Yes.

1425. At the commencement of the war in South Africa was your attention called to the want of assistance to the families of those who were connected with soldiers in South Africa?—That was so.

1426. When was it that your fund was initiated?—29th of October, 1899.

1427. First, will you tell us what was the object that you stated to the public you had in view in collecting funds?—The object was to relieve as expeditiously as possible the widows of those who fell in the South African War—to assist them, and also to make some provision for the children. We based our calculation—that is to say, upon the idea of finding an amount that would be sufficient to keep a roof over their heads, you may say.

1428. Please let us distinguish; did you confine yourself as you state to widows only of men who had been killed or the wives of men fighting in South Africa?—To widows at first.

1429. And orphans?—And orphans.

1430. The mothers would be alive, but we call them orphans. You did not then at first seek to make any provision for the families of men who were absent in South Africa—still alive?—No.

1431. Have you changed at all your object and method of operation?—Not in the least.

1432. Your objects still are widows and orphans?—That is so. In certain special instances we have applied some monies to the families.

Chairman—continued.

1433. But comparatively small?—Comparatively small amount.

1434. We may take it that the principal object was widows and orphans?—Widows and orphans.

1435. How much money have you collected?—I have made a memorandum here, my Lord, thinking the Committee would like to know the facts in connection with the fund—the amount and how it has been applied, and if you grant your permission I might tell you these points as I have got them down here.

1436. Read your memorandum first, and we can then ask you anything we wish upon it?—The "Daily Telegraph" Shilling Fund has collected up to the present altogether, chiefly in London, Scotland and home counties, 250,196*l*. The fund was based, as your Lordships are aware, upon the idea of a shilling subscription, and in amounts varying—that is the total that has been reached. Very little of this amount has been contributed by Lancashire, Yorkshire, the Midlands, or the West of England, or Ireland owing, as we think, to the competition of local funds in those parts of the country. After providing 10,599*l*. for Colonial grants, compassionate grants to Reservists' families, mothers, and disabled soldiers, officers' families, and Imperial Yeomanry widows, and of monies specially subscribed, the net amount available for widows and orphans of soldiers and sailors was 239,597*l*. Of this sum up to the 11th of May, 1901, there was distributed in cash grants and by sums lodged in Post Office Savings Bank books of widows and orphans 36,829*l*., and in Children's Trust Account books 14,656*l*.

1437. What were the Children's Trust Accounts books?—That was in the case of the first 250 widows.

1438. You

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Sir EDWARD LAWSON.

[Continued]

Chairman—continued.

1438. You said Children's Trust Account books?—Because there was a separate account for children in the same book. The cost of the annuities actually purchased was 182,125*l*.

1439. Are those annuities for widows only?—Those are the widows—and the balance in hand to meet the cost of contracts in preparation by the Post Office was 5,986*l*., making the total outlay in annuities 188,111*l*. The "Daily Telegraph" has made no general appeal for funds since December 31st, 1900; but in Scotland, which has been particularly sympathetic and generous throughout all this matter, the "Scotsman" has continued its appeal sending money collected to us for distribution in Scotland. The fund has however notified that it would be prepared to take into consideration—

1440. Is the "Scotsman" included in this sum?—It is included. The fund has however notified that it would be prepared to take into consideration the claims of widows off the strength and has recently made supplemental grants of 10*l*. each to about 30 of those widows. On July 1st, when the Government Pensions come into operation this fund of mine will cease its distribution both in England and Scotland, by which date its resources will have been wholly exhausted. Now as to the method of distribution, since the fund was opened on October the 27th, 1899, it has registered net claims on the part of widows and orphans to the number of 2,947. Temporary provision was made for 2,278, leaving 669 unassisted. Of these 503 have been brought to the notice of the fund since it closed its general appeal on January 1st of the present year. Permanent provision by way of annuity has been made for 652 widows, including those for whom contracts are preparing and there are still to allot two annuities in London and five in Scotland, making the total 659. The annuities are not all of the same value, one being 20*l*. a year, 324 15*l*., 318 10*l*., six supplemental annuities 5*l*., and three specially arranged, making the total already issued 652.

1441. Please convert them into weekly amounts, 20*l*. is approximately 8*s*. a week?—Yes; 324 at 15*l*., that is 5*s*. 9*d*. a week; 318 at 10*l*. is not quite 4*s*. a week.

1442. 3*s*. 10*d*.?—Six supplemental annuities at 5*l*. issued to the same women who had the 10*l*., and three specially arranged. In addition to that, my Lord, I may mention that we got a letter from Scotland this morning enclosing a sum of 2,000*l*. for the Shilling Fund, and in order to complete the 5*l*. additions to the Edinburgh annuities, because the people in Edinburgh were very anxious that the amounts of their widows should come up to our maximum, and therefore they have laboured generously and zealously to do so. The full system of distribution was maintained in respect to the first 250 widows eligible for annuities, and for each child, 300 in all, a Trust Account in the sum of 50*l*. was opened. The prolongation of the war, and the facts disclosed by the first War Funds' Inquiry Committee as to the existence of strong provincial funds, which absorbed local

Chairman—continued.

support, and deprived the "Daily Telegraph" Fund in a measure of its revenue, led to a curtailment of its system of distribution. We had to cut our coat according to our cloth. The 15*l*. annuities were continued to 77 more women, but the trust accounts to children were dropped. The number of widows continuing to multiply, the fresh annuities issued subsequently to July 5th were made at the rate of 10*l*. a year, except in certain cases, where the original 15*l*. was maintained, and in other instances where the 10*l*. annuities were supplemented by an extra 5*l*. In regard to the first grants, the rate of 20*l*. per widow and 3*l*. per child, paid into the Post Office Savings Bank account, opened in the name of the mother, was maintained until May 16th, 1900, throughout the country, the total number of claims then on the books numbeing 978. On that date, in order to compel the strong provincial funds to provide for their own, the initial grant of 3*l*. only was made in certain districts, including Lancashire, Yorkshire, and the Midlands. On July 9th, when the number of widows registered had risen to 1,492, it was found necessary to reduce the grants of 20*l*., payable to widows in the Home Counties, to 10*l*., but these grants in certain pressing cases, have since been raised to the full 20*l*. Upon this scale the distribution of the fund was continued until December 31st, 1900. During the present year its full cash grants have been maintained in Scotland only and in London partially. The system of distribution throughout has been determined by the nature of the response to, and the character of the appeal made from day to day in the columns of the "Daily Telegraph." The national system, or rather, one might say, Imperial system, because the Colonies were included, ceased only when it was evident that the Provinces were supporting their own funds, and the Colonies were sending their money to the Mansion House. Since the War Funds Inquiry Committee was opened on March 13th, 1900, the fund has received 110,375*l*., but the greater part of this has been earmarked for local distribution. In London the district carnivals provided upwards of 46,000*l*., which has been spent in purchasing annuities for the widows of these districts.

1443. Is that included in your 250,000*l*.?—Yes, that is part of it. The fund also received sums for special districts, Ilford, for example, and in Scotland every shilling raised locally has been spent locally. That has been the desire of the people. It will be found that after the first 250 our annuitants belong, therefore, chiefly to London and to Scotland, the Naval Brigade, and to the Highland Brigade. In one important particular our system is irrevocable. The annuities have been purchased of the National Debt Commissioners through the Post Office Savings Bank or Trustee Savings Banks, and in India and the Colonies through assurance offices. They are life annuities, and cannot be cancelled. The intention of our subscribers was to benefit the widows for life. The argument was this had a reservist been killed in civil employment he would, under the Workmen's Compensation Act, have left his widow a claim upon his employers

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[Continued.]

Chairman—continued.

employers equivalent in amount to the sum expended in the purchase of an annuity. It was hard, they seemed to think, that he should lose his life in his country's service, and that his widow, upon re-marrying, should benefit nothing at all. I am simply placing this on record as an impression received by us; of course, you will naturally put your own value upon it. With regard to our dealings with the Patriotic Fund, they were these. The "Daily Telegraph" has furnished the Patriotic Fund with complete lists from time to time of its annuitants; but has received little or no information in return. It has learned by accident that the Patriotic Fund Commissioners at first adopted the policy of reducing its allowances to 2s. 6d. a week, whenever a widow was in receipt of a "Daily Telegraph" annuity. Subsequently the fund was notified by widows that their Patriotic Fund allowances had wholly ceased. We have never received from the Patriotic Fund any information as to the number, nature, or extent of its grants, and they have not even warned us against women attempting fraud, or as to undesirable claimants brought to its notice. We have relied actually upon our own register, consisting of a card regimental catalogue upon a specially-devised double-entry system, and its dockets, which contain the recommendations and reports of War Office, Military Depot, Local Committee, and of a number of persons interesting themselves in the widows. That system was highly commended by the first War Funds Inquiry Committee. Other funds have been supplied by us with copies of our annuitants' lists, and upon application detailed returns of our cash payments to brigades, regiments, counties, towns or districts. Our relations with the provinces have been these: Scotland has, through the "Scotsman" sent to us all the the money, over 43,000*l.*, it has collected, and since it was made quite clear that money locally collected would be spent locally, Scotland in response to a special appeal made in November last has raised 17,500*l.* In Scotland, not only has the general system, minus the trust accounts to children, and subject to reduction of new 15*l.* annuities to 10*l.* being maintained, but the fund has also been enabled to extend its operations to parts of Scotland that have not contributed so generously as Edinburgh and the County of Fife. Had England been as liberal as Scotland, there would have been no cessation of the work at all, notwithstanding the fact that the War has already given us six times the number of widows for which Mr. Wyndham had prepared us, our distribution having been originally calculated on the basis of 500 widows, or at the most 780. In Ireland, to save the overlapping of the first grants, an arrangement early in 1900 was concluded with the "Irish Times" Fund, by which the "Daily Telegraph" paid 1*l.* only to Irish widows in cash, but it purchased annuities so long as it was able. The "Irish Times" Fund contributed towards the cost 2,500*l.*, but the Fund outlay amounted to 16,358*l.* to widows and orphans of soldiers of Irish regiments, besides sums to English widows in Ireland. Now, with regard to the Provinces, the great English cities did not co-operate except

(0.21.)

Chairman—continued.

Liverpool, through the "Post," to the extent of 1,000*l.*, which was locally expended, and a sum of money for Naval Brigade Widows; Sheffield, 250*l.*, also locally spent. Manchester, after receiving help to the extent of six annuities, refused to co-operate in any way, though it still possesses large unexhausted funds. Then with regard to the Carnival Districts, London itself was unequal in support, and districts remitting carnival collections stipulated that the money should be spent within their own boundaries. Hence, as it has been impossible to provide for all widows, certain localities have widows without "Daily Telegraph" annuities, though an effort was made to equalise distribution out of the general fund. That, my Lord, I think exhausts the details as to the amounts, the methods in which they were collected, and the way in which the sums have been applied. Here is a detailed list of the widows and all the particulars (*Handing in the same*), and it is perhaps unnecessary to say that these and all other documents and anything you may want are entirely at the disposal of your Committee. If there should be any questions which the Committee would be desirous of asking which involve perhaps a more perfect acquaintance than I have with the working of all the other funds, my colleague, Mr. Richardson, who has been extraordinarily industrious in working out all my ideas on this subject is quite at the disposal of the Committee.

1444. I have just a few questions to ask you myself. Your principal sums have been paid to the widows in amounts of 15*l.* and 10*l.*, a few of 20*l.*, and a few of 5*l.*?—That is so.

1445. How did you differentiate between the 15*l.* annuitants and those receiving 10*l.*?—I take it we were entirely guided by the amount of money we had in hand, and what we thought we could do. We acted according to official advice. Mr. George Wyndham was, as I have said just now, at the War Office, and we naturally said, What is your idea; what would be the extent of the demands made upon us? We all underestimated the eventualities of the thing.

1446. I suppose, converting your grants into weekly sums of 15*s.* 9*d.* and 3*s.* 10*d.*, you did not regard these as a sufficiency?—By no means. Our idea in fixing the amount was that it was about enough to keep a roof over a woman's head. It was not our idea of the maximum.

1447. Or the minimum even?—Or even the minimum.

1448. Did you take into consideration at all the position of the woman in differentiating whether she should have the 15*l.* or the 10*l.*?—It was done in the order of date, according to the condition of our funds, and I think I made a note that in some special cases afterwards which were considered to be very pressing, or at the request of donors, the minor amount should be increased.

1449. That was exceptional, but, as a rule, you were guided by the money you had in hand, and no other consideration?—Quite so.

1450. You have spoken of these pensions being irrevocable?—Yes.

1451. Supposing a woman marries again?—We take no notice of that fact; the pension goes on.

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1752. It

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[Continued.]

Chairman—continued.

1452. If she married a rich husband she would keep it?—She would.

1453. If she gets the proposed Government pension, that would make no difference?—No difference. There is a letter from the War Office which bears on that point. It is dated 12th April, 1901: "Sir,—In reply to your letter of the 26th ultimo, I am directed by the Secretary of State for War to inform you that it is not intended that the claim of any widow to pension from the Government shall be affected by the receipt of any allowance from charitable or benevolent funds. A Joint Committee of the Lords and Commons has been appointed to consider how the funds subscribed by local and private benevolence can be applied to the best advantage in supplementing the Government scheme of pension."

1454. It is so irrevocable that you would not take notice of immorality?—It would be almost impossible; it could not be done. With regard to the mere question of remarriage, we did take, perhaps, a broader view at the outset in seeking to get a vast sum of money in shilling subscriptions than would a Committee or a Department that might be guided by a stronger, sterner or stricter sense of the possibilities.

1455. You gave the analogy of the Workmen's Compensation Act, but of course there the widow obtains the compensation as a right by virtue of law. In your instance yours was an eleemosynary gift, and you could control the conditions of the gift?—Certainly.

1456. But you took the analogy as guiding you?—Yes, as far as we are concerned; but perhaps the opinion might alter if the work were being done by the State, and not by a private fund. The condition of the Post Office annuity is that it is paid half-yearly, and it cannot be bought and it cannot be sold.

1457. The point is that it cannot be sold or charged?—I think I am sure not according to the Post Office arrangement, and for that very reason we took up Post Office annuities instead of terminable annuities.

1458. That did not rest in your recollection, but proceeded from the fact that you were obtaining Post Office annuities, and the Post Office impose that condition?—We went there for that purpose, and we had some considerable difficulty in getting them to take us at first.

1459. Is that with the Post Office a general term of annuities?—Yes.

1460. Did you, when you granted these annuities, make any communication to anybody that they had been granted so as to prevent overlapping?—We had a complete system of verification.

1461. I mean if widow Ann Smith came and said, "I live in Dover, a certain street and number, and I want an annuity," and you knew there was a Dover society, should you make any inquiry as to whether she had got any assistance?—Our verification system included information of that sort absolutely; each case was verified as completely as possible, so that we knew everything about the woman, including her resources.

1462. Tell us, please, what steps were taken to verify?—By application to local committees, forms being issued and signed by them.

Chairman—continued.

1463. Would those replies furnish you with the fact that the widow was being relieved, and the amount of relief?—Certainly.

1464. Did you take the information you so received into consideration when you determined whether to give any relief at and the amount of relief?—They were all treated alike.

1465. In the first place, what would be the local committee you would apply to?—The War Funds' Committee it was, in some instances, and in others the Soldiers' and Sailors'.

1466. Supposing you had learned from them that the widow I had mentioned, Ann Smith, was receiving from them, say, 6s. a week, did you take that into consideration in determining what to give her?—At the beginning of the war, when we started giving these amounts, there was nothing being done; we were there and occupied the ground.

1467. Then you proceeded?—Then we proceeded on the lines I have indicated, and in those districts where we were at work nothing was done by others.

1468. If you obtained information that a woman was receiving assistance at the rate of, say, 6s. a week what did you do then?—We never touched them where they were receiving at all; if she was receiving from other funds we did not deal with her.

1469. Suppose she was receiving a small amount, would that stop you?—That did stop us. I believe we did not deal with the case at all. In Manchester, for example, and in London, nothing was being done by anybody, and we have not had any case in which our recipient was receiving from other funds except the Patriotic Fund.

1470. Did you take the amount received by the widow from the Patriotic Fund at all into consideration in apportioning the sum from your fund?—The amount given by the two was, in our idea, very short of what we should have considered the maximum; and, therefore, we did not refuse to deal with those who might have been, perhaps, dealt with by the Patriotic Fund.

1471. That is a very reasonable answer; you did not find cases where the sums contributed from other sources would have afforded with your own contribution too large a sum for a woman fairly to receive?—We never found such a case.

Mr. Kearley.

1472. You used the word "maximum"; surely you mean "minimum"?—No, everybody has their own idea of the maximum. Our own idea of the maximum was perhaps a more exalted one than the official idea, but still we were in a measure guided by what was our own impression of what the maximum would be. I do not know what the War Office idea of the maximum was at the time.

Chairman.

1473. Please explain to me briefly how many children you have now upon your books receiving relief?—We have no complete record of children.

1474. To children living with the mother you would contribute so much a head for a child; who

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[Continued.]

Chairman—continued.

how much was that?—For the first 250 we paid 50*l.* in Post Office accounts tied up for five years.

1475. How much a week did you allow?—It is a sum available when the child reaches the age of seven, the amount being the interest on 50*l.*

1476. At most that would be 30*s.* a year, or 8*d.* or 9*d.* a week?—That is about it.

Mr. Archdale.

1477. Can the widow draw on that?—Not without the consent of the child at the age of seven.

Chairman.

1478. You certainly seem to have made the mother the principal object of your bounty?—No doubt, and in the immediate grant the mother's amount was considered in proportion to the number of children she had got.

1479. Then the children apparently obtained a small contribution: while we have heard of 2*s.* and 1*s.* 6*d.* per child per week, you seem to have gone down to the interest on 50*l.*, and even at three per cent. you see that would only produce 30*s.* a year, or 8*d.* a week per child?—The grants to the mother were formed on the idea of the children benefiting by them, and the amount was determined according to the extent of the family.

Chairman—continued.

1480. May I ask if your fund is substantially closed, or do you contemplate new exertion?—It is to be closed on July 1st.

1481. Of the principal sum you have mentioned, the greater amount has gone in irrevocable pensions to the widow?—That is so.

1482. Not to be influenced or affected by the proposed Government grant?—Not to be touched by it.

1483. In the future I presume you do not wish to have your fund brought under the control of any central body?—It seems to me, my Lord, that it ceases to exist.

1484. When you say "ceases to exist" you have purchased the annuities and your capital is gone?—Absolutely, we shall not have a penny piece left.

1485. You do not want either direction or assistance in the future?—Not the slightest.

1486. Any central body to you is nothing?—No, but if our experience is of any use to any body that is formed, I say to you, as I have told the Government, that all the records, all the plans, the system of registration and enquiry, and my friend here would be placed at their disposal or the disposal of any Committee.

1487. Is the Scotch fund closed too?—Yes, my Lord, naturally, as soon as it became known that the State was about to take the work in hand all the sources of supply commenced to dry up.

AT THIS POINT THE EARL OF DARTMOUTH TOOK THE CHAIR.

Chairman.

1488. Perhaps you would allow me to ask you one or two questions on the evidence you have given. I understand that by your system you gave a preference to those localities which contributed the most?—Undoubtedly. Not unnaturally it was the wish of the subscribers that those living in their immediate neighbourhood should benefit mainly.

1489. According to your system, by the wish of the locality one widow might receive assistance, and another be left out in the cold?—As regards our fund, yes.

1490. I understand there was a higher scale adopted in the first instance before you knew how long the war was to continue. The scale on which you administered your relief was higher in the first instance than it has been since?—Undoubtedly, excepting the case of Scotland, and there, as I have said, they have been particularly energetic and patriotic, and they have kept on raising money, so that our maximum, which was the 5*s.* 9*d.* a week, or 20*l.* a year, should be maintained to the end. That has been by the special effort of Edinburgh as regards Edinburgh widows and other parts of Scotland as regards their own particular widows.

Mr. Kearley.

1491. The 5*s.* 9*d.* a week is the 15*l.* a year?—Yes.

Chairman.

1492. You modified the original amount of relief, as you found your funds gradually diminished (0.21.)

Chairman—continued.

minished?—Yes, we had to judge of the prospect and act accordingly.

1493. I suppose you found that in some localities they sent you nearly all the funds connected with the war that were collected in that particular locality?—No, not in London; they sent us a good deal, but not the bulk of it, certainly. The bulk of our quarter of a million has come from the working classes and the middle classes.

1494. You specified three particular localities in which you had little or no support—Lancashire, Yorkshire, and the Midlands?—Yes.

1495. And in those cases, as I understand, you have dismissed any cases there might be with a sum down of 3*l.*?—Yes. With regard to Manchester, we felt ourselves aggrieved, because we assisted their widows and they would not help us a bit.

1496. You seem to suggest that the competition of local funds rather took away your revenues?—That is so.

1497. But, do you not think that the local funds have some reason for looking after their own affairs?—I do not complain; I merely chronicle it as a matter of fact. I agree with you perfectly that they have a right to look after their own. The only complaint I made against Manchester was that it did not look after its own, but left it to us, and would not do the work itself.

1498. As regards these annuities, they are purchased, in the first instance, and as you say they

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[Continued.]

Chairman—continued.

they are irrevocable, and no notice is taken in case of remarriage?—No; not any.

1499. I suppose you go on the principle which I very much agree with, that a man who loses his life in the service of his country has earned a reward the right to which is not diminished by the fact of his widow's remarriage?—Absolutely; we are absolutely of that opinion, and we framed the original estimate on the desire to put a roof over the woman's head. It was not everything, but it is something. There is also another point which has often suggested itself to me, that any alteration of that system really has an immoral tendency distinctly.

1500. One word as to the local committees; I did not quite catch your answer to Lord James. To what local committees have you gone for your information with regard to the position of the various recipients?—Without distinction every committee in the country; we took them as we found them, and wanted them and sought the information from them.

1501. You trust to the local committees for the means of preventing fraud?—Quite so, of course after the exercise of our own verification system. We verify in every possible way. I think if you looked into the details of our system of verification you would find it very painstaking and very satisfactory; we left no stone unturned.

1502. By your system you have not taken into consideration in any case what any other of these relief funds may be doing?—No, except in the case of Manchester and Dublin.

Mr. Hayes Fisher.

1503. The very handsome sum you were instrumental in collecting from the public may practically in its distribution be divided into two heads, may it not, that portion which you gave away in grants, and that portion of it, which you have given away in irrevocable annuities?—Yes.

1504. Does that completely cover the whole of the sum, or have you given any portion of that sum in allowances which you can now withdraw?—Not any; not a penny piece.

1505. So that there is no money now at the discretion of the managers of the "Daily Telegraph" Fund?—Absolutely nothing when we close, not a farthing.

1506. Can you tell me how many annuitants there are?—Yes, 659.

1507. Can you tell me how many of those are Colonial widows?—The Colonial grants have been administered through Colonial committees, and the widows of men serving in the Colonies resident here have been put upon the same footing as all the other widows.

1508. You have given a certain number of Post Office annuities to the widows of Colonial soldiers still resident in South Africa?—It has been done as you say here, and we are also giving to widows who are resident now in the Colonies. We made no distinction between the Colonials and the others.

1509. In your list of widows which you have put in that are deriving benefit from the "Daily Telegraph" Fund, may I take it that there are some widows residing in South Africa, in the Cape and Natal, and that there are some widows

Mr. Hayes Fisher—continued.

residing in Australia and New Zealand?—In the Australian Colonies the work was done through the Colonial agents here; in the case of Natal it was done through the Government and in the case of Cape Colony it was done through a "Daily Telegraph" Committee formed and superintended by our agents on the spot.

1510. Did you embrace Canada also?—No, there are not any in Canada.

1511. But in South Africa and in the Australian Colonies there are a certain number of widows receiving annuities from the "Daily Telegraph" Fund?—Yes.

1512. Our object, as you know, is to enquire into the funds available for relieving the widows and orphans of soldiers and sailors with a view to ensuring that the funds subscribed are applied to the best advantage in supplementing a scheme of Government pensions to widows and orphans. You have informed us that the War Office have addressed a letter to you on the 12th April, in which the War Office informs you that it is not intended that the claim of any widow to a pension from the Government shall be affected by the receipt of any allowance from charitable or benevolent funds?—That is so.

1513. And therefore, so far as these annuitants are concerned, the widows enjoying these annuities will be in the fortunate position of having a State pension and an irrevocable annuity for life from the "Daily Telegraph" Fund?—Yes.

1514. Therefore I think I may take it that so far as those annuitants are concerned, you will come to the aid of the Government to this extent, that there will be no necessity for the Government, either out of the funds at the disposal of the Patriotic Commissioners or from any other source, to supplement the incomes of those widows?—That depends, I suppose, entirely on what the amount is that they mean to give.

1515. We have been told that the Government intend to give 5s. a week; what is the lowest sum per week derivable from any of your annuities?—3s. 10d., and the highest is 5s. 9d.

1516. The lowest is 3s. 10d., so that any one of these 659 widows, with the Government pension and your annuity, would be in receipt of 8s. 10d. a week?—That is so.

1517. And if she had children, of course she would draw the Government allowance for the children?—That is so.

1518. So that, in all probability she would naturally not require any supplement to that allowance as compared with the other widows, whom we may take at something like 2,500, who have not been able to dip into the very lucky bag of the "Daily Telegraph" Fund?—Quite so. Of course the conclusion you draw would depend on your idea of what the maximum ought to be, and other men might differ about that.

1519. I take it from you that, supposing the Government give 5s. per week to every widow, of these 659 you have mentioned the lowest income would be 8s. 10d. a-week?—Yes.

1520. And it might run up to 10s. 9d.?—Yes.

1521. But you would yourself, as a man of the world, and looking at the motives of the public in subscribing, I presume, think it quite fair

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fair that out of any funds which are placed for disposal to supplement these State pensions, they should take into consideration the fact that you had been very liberal in certain cases?—Undoubtedly I think that ought to be taken into consideration; if I was in the department having the control of that matter I should certainly take it into consideration. You have to take the commercial status of the woman.

1522. While holding the opinion which I think you do, that the Government should as a matter of right give this State pension whatever it may be to each widow, whether she has been fortunate enough to obtain an annuity from the "Daily Telegraph" Fund or not, yet you think that it would be equally within the right of the Government and that it would be fair for the Government in supplementing the allowance to take into consideration the fact that she was one of your very fortunate annuitants?—I agree to that.

1523. When you started this "Daily Telegraph" Fund did you immediately in settling your rules for distribution put yourself in communication with the Patriotic Commissioners?—They came to us, but we did come together.

1524. I understood from you that you derived little or no information from them?—Very little or no information.

1525. How do you account for that?—Well, I always accounted for it in this way—I do not know whether it was right or not—that at the beginning of the war we went to work when time was a wonderful consideration, when everything was pressing and the misery was rampant amongst these people while the official of the Patriotic Commissioners, who I have no doubt is very able, happened to have gone on a Red Cross expedition to South Africa, and I could not ascertain that there were many people who were practically dealing with that matter at the time for the Patriotic Fund Commissioners.

1526. Colonel Young, to whom you are alluding, had gone to South Africa?—Yes.

1527. And you think that was probably one of the reasons why there was great difficulty in obtaining information?—I think that was probably one of the reasons why they did not deal more promptly with the situation.

Mr. Hozier.

1528. Scotland, I think you say, has been specially sympathetic and generous?—Specially.

1529. And therefore you feel yourself justified in keeping up the full grants in the case of Scotland?—Scotland did it herself. Scotland—more particularly Edinburgh—was desirous that the diminution which we put into force on account of our funds coming down as applying to our own widows should not apply to the Scotch widows, and therefore it put its shoulder to the wheel and subscribed more money, 2,000*l.* of which reached me yesterday so as to enable us to pay more particularly the Edinburgh widows up to the full maximum amount. That has been more done by the action of Scotland than by us.

1530. Of course you are well aware that although the "Scotsman" is published in Edinburgh it is a national paper?—Yes.

Mr. Hozier—continued.

1531. So that it practically means the whole of Scotland?—It means the whole of Scotland, but this 2,000*l.* is specially an Edinburgh contribution coming through the "Scotsman." Of course the work of the "Scotsman" extends throughout Scotland.

1532. I suppose you consider Scotland really as a unit?—Perfectly.

1533. And you do not discriminate between the various parts of Scotland?—We had to discriminate between Glasgow and the other parts, because Glasgow refused to co-operate with us at all.

1534. Did the "Glasgow Herald" not join with you at all?—No, not at all.

1535. And no Glasgow paper?—No Glasgow paper.

1536. You made no distinction between those who married with leave and those who married without leave?—None.

1537. And your opinion is that if it had not been for what is called overlapping, the allowances would not have been sufficient for the widows?—Oh, yes.

1538. You say that there are 659 widows to whom you are giving permanent allowances?—Yes.

1539. How many of those are Scotch widows?—Probably about 160, but I cannot speak as to the exact figure.

Mr. Archdale.

1540. You were talking about the "Irish Times" Fund and your fund having come to an agreement, and you mentioned English widows in Ireland; who may they be?—The widows of Irish regiments in Ireland.

1541. They happened to be Irish women who married English soldiers?—They may be, but they were in Ireland.

Mr. Burtley.

1542. When you began this fund had you any idea that you would cover all the widows?—Oh, no; I did not think it was really possible. We went to work on the information, I suppose unofficial really, of the War Office which Mr. George Wyndham was kind enough to give us, and then, when we found his estimate was exceeded, we knew it would not be possible.

1543. As fast as you came to know of them you endeavoured to relieve them?—We endeavoured to relieve them according to our maximum rate already fixed, and we naturally lowered that rate when we saw that the financial prospect was such that we should not be able at the end to do what we were desirous of doing at the beginning of the enterprise.

1544. I suppose in any national system you would not think it desirable that those widows you were able to relieve should have a permanent life annuity larger than other widows who were not so fortunate?—I do not think so; I think they should be on a perfect equality.

1545. Therefore you think there would be nothing unfair or nothing against the principles of your fund if in the National system, when it is established those you have benefited do not get as much as those who were not so fortunate as to get an annuity from you?—That is quite clear to my mind.

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mind. It seems to me that the natural course is for the Government or the War Office; or whatever department deals with the matter when they are forming their scheme to take the whole of the figures into account, including the contributions made by the "Daily Telegraph," or any of the other funds.

1546. And you think that the recipients of your funds would not feel themselves in any way aggrieved by your fund being taken into consideration in the national system that is to be established?—I should distinctly say not, supposing that there is equality, as there should be, in the final arrangement.

1547. As I understand you have paid some 200*l.* or 300*l.* for each case, and the money has absolutely passed out of your hands altogether?—Absolutely.

1548. You do not pay them their allowances?—No, it is a Post Office annuity purchased and gone away from us.

1549. In the ordinary sense?—In the ordinary sense.

Mr. Kearley.

1550. As regards overlapping do you consider there is much of it existing at the moment?—No, I do not. As far as my own fund is concerned, I have never been able to understand the charges that have been made, there have been charges brought against us of overlapping two or three times, but we have never really been guilty of it, because we have always been very painstaking in the verification. With regard to the broad question of overlapping, let your conclusions be according to your original idea of what the maximum amount ought to be for a widow who is suddenly left bereft of any money at all from her husband. If there was any overlapping, inasmuch as I occupied the ground first of all and was very quick in action (and I am not saying this boastfully) the overlapping must have come from the others; but even then, according to my own notions, supposing my 5*s.* 9*d.* was overlapped by somebody else's 3*s.* or 5*s.*, or what the Patriotic Fund gave, that would not bring it, supposing it became 10*s.* 9*d.* altogether, into the category of serious overlapping.

1551. But you consider, when the final adjustment takes place, as it probably will as far as means will permit, that it would be fair to give an equal sum to widows of a certain class?—Certainly, and in my own individual opinion, which may be worth noting, the separate action of all these funds should be done away with altogether if possible. I do not think you want them.

Chairman.

1552. What should be done away with altogether?—The action of the other funds ought to cease to exist when it becomes a question of work for the State to do, and which should be done, as one expects it to be done, efficiently and with fair generosity.

Mr. Kearley.

1553. What do you consider a sufficient maximum sum of money for the widow of an ordinary soldier? I understood you to say

Mr. Kearley—continued.

that you do not consider the sum you have given adequate; you have given according to the best of your means?—Yes, we gave broadly. It is a very difficult question to answer, of course. We gave broadly the amount which we thought would give the woman a roof over her head, and we reasoned that if that did become the property of or was to the advantage of the second husband who was coming along, it was no great trouble or misfortune; the 5*s.* 9*d.* did not do more than that. When you speak of the amount a woman ought to have, do you mean if she is unmarried?

1554. I think your pensions average, roughly, about 5*s.* a week taking them altogether, and wanted to make it clear if I could what you would have considered an adequate amount had you possessed adequate means?—I was going to say about 10*s.*, which would be really equivalent to my contribution and the Patriotic Fund contribution, it would be above that, but, roughly speaking, 10*s.* I should say would a fair generous amount.

1555. This Committee hopes to evolve some general scheme of dealing with all these funds. Have you any suggestion to offer to us?—Well, if you will allow me, I have made a memorandum, and I should like to look at it, but I should pray the Committee to take into consideration that it is only my own plan and idea, which you may think extremely bad and worth nothing. My friends and I have given this matter a good deal of thought and it seems to us that the point of view is to determine the maximum standard of relief to widows, inclusive of the State Pension; and also the allowances to children of widows, and to total orphans. This scale should also take into consideration the rank of the deceased soldier. That the State through the Pension Department of the War Office should make all payments to widows and to the guardians of children direct, according to the scale whatever it may be that is determined upon. That the system of payment should be by Post Office Warrant, payable fortnightly or at the option of the recipients by quarterly sums lodged in their Post Office Savings Bank accounts. That the State having declined to recognise "widows off the strength," their number should be ascertained and a capital sum placed in the hands of an "off the strength" committee, with power to administer in such a way that no "off the strength" widow should suffer by being deprived of the State pension. We personally have always been strong in our idea with regard to the widows "off the strength," although I know what the official objection is. That should this Committee determine that a pension to a widow terminate upon her re-marriage, a lump cash payment representing a wedding gift, according to the limit to be fixed should be given to all widows not in receipt of life annuities.

Mr. Bartley.

1556. On their second marriage?—Yes.

Mr. Kearley.

1557. Do you contemplate half allowance in preference to a wedding present?—No.

1558. What

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Mr. Kearley—continued.

1558. What about re-widowhood? Have you contemplated that?—No. The Patriotic Commissioners should hand over their widows and orphans to the State, their allowances ceasing, or merging into the Government pensions. That the payment to the Royal Patriotic Commissioners of the soldiers' effects, monies realised by the sale of deceased soldiers' property, should be discontinued, and the money should be retained by the State. That the balance unexpended upon South African War account in the hands of the Commissioners should be placed in the hands of the Commissioners should be placed in the hands of the State for distribution. That to ensure equality of treatment those widows who have received annuities from the "Daily Telegraph" and "Scotsman," or other funds, should be paid by the State by fortnightly instalments, the difference between the annual value of these annuities and the maximum standard determined upon. And in the event of their re-marriage they should not be eligible for the wedding gift. That steps be taken to ascertain the amount in the hands of provincial regimental and other voluntary funds available for widows and orphans, and that these funds be invited to place their balances in the hands of the State for distribution. That in the case of refusal the State pensions should be wholly withheld unless it be shown that the monies collected will be distributed *pro rata* to local widows leaving the State to make up the difference as in the case of the "Daily Telegraph" annuitants.

1559. That the State pension should be withheld from whom?—From the local widows.

1560. That surely would be rather rough on the local widow?—No, because the amount would remain the same. That is simply if the local fund refuses to come in, naturally you throw it upon them; they cannot see the widows bereft.

1561. I rather object to the visiting of the sins of the local committee upon the local widow. I quite agree with the principle, but I do not agree with the method?—I do not suppose there would ever be any difficulty; there might be. The amount left in the provinces that could possibly be administered is very very small. That municipalities, local committees of existing war funds and regimental associations should have the power of recommending to the State eligible applicants for pensions, and that if at any time misconduct occurs it should be at the discretion of the department to annul or suspend the allowances. Such a scheme as that I have foreshadowed provides for one pension authority only—that of the State—with a maximum scale of allowances a system of direct payment, and the absence of anything which may have the appearance of charity. It involves the disappearance of the Royal Patriotic Fund, in connection with the South African War, the compulsory co-operation of provincial funds having money to spend which they will not disburse, and equality of treatment in respect of "Daily Telegraph" annuitants. It secures that widows "off the strength" shall not be neglected, and it does not put a premium upon immorality which now attaches to the

Mr. Kearley—continued.

practice of wholly discontinuing the widows' allowance upon re-marriage. The plan also provides for the assistance of advisory local committees in recommending applications to the central authority and pay office. The principle of local distribution would be eliminated, as after the war is at an end it will be impossible to count upon the existence of effective committees throughout the country. To anticipate perhaps some objections to this scheme. On the first clause—the settlement of a standard of relief the maximum *not* the minimum. The "Daily Telegraph" in the administration of its fund has always held to the belief that the maximum has not yet been reached. The Government then in announcing pensions, I take it, would not intend to supplant but supplement voluntary provision. If there is, in your opinion, a danger of overlapping between the State pensions and our own annuitants the overlapping is that of the Government, not of the "Daily Telegraph." The Mansion House Council has reported, as the Committee will be aware, in favour of 7s. weekly minimum and 2s. weekly per child. According to our experience it is absolutely necessary that there should be one central office if duplication of payments and fraud is to be safeguarded against. And it is most undesirable that widows should be made to attend committee rooms at intervals, or to feel that they are the recipients of doles. The system of payment in Clause 3 which I mentioned to you, would place every necessary control in the hands of the executive. Women possessing Post Office Savings Bank accounts seem according to our experience to have acquired habits of very considerable frugality. As to widows "off the strength," the number still unprovided for is so small that there should be no difficulty in arranging for them. There are about 100 widows "off the strength" throughout the country; that is all. The proposal to terminate pensions on remarriage, of course, is open to argument. Then, according to our ideas, the discontinuance of the Royal Patriotic Fund as the almoner of the Soldiers' Effects monies receivable from the Government is inevitable, as throughout the country the Commissioners would be sure to be resisted if they put forward proposals to absorb local funds. The State alone could compel co-operation, and it would have no need to capitalise or to create surpluses. The State is substituted for a Royal Commission in this scheme because it is undoubtedly the feeling of the public that it is the duty of the State to care for the widows and orphans of the rank and file killed in war or dying in consequence of active service. The repeated announcement that the State had stepped in to do this work has been the real reason why funds ceased to flow into private agencies, as you may imagine. The State already pensions the officer's and the warrant officer's widow, and there is no logical reason why it should not extend its operations to the non-commissioned officers' and the private's widow without the intervention of philanthropic agencies. Those are all the ideas that I thought might be useful to you as giving what we thought could be done.

1562. You practically advocate the abolition of

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Mr. Kearley—continued.

of the Patriotic Commissioners, as at present constituted?—Oh, yes, I think so.

1563. Do you think that if maintained in the future it will have any value as a collecting agency of funds?—Not the slightest. Of course, in answering your question, I am just speaking as I think; if you ask me the question according to my experience, I do not attach the least value to it; it is an antiquated institution in which there are many admirable men who mean extremely well, but for the purposes of practically up-to-date work, I do not think, really, it would be of any great advantage.

1564. Have you seen the proposal which was issued a few months ago, whereby it was proposed to make it illegal by Act of Parliament for there to be any outside collecting agencies such as yours?—Yes.

1565. What do you say to that?—If you do that you stop up the whole flow of sentiment and charity which is absolutely invaluable, although a swindle may come up now and again; you had better have one swindle in a thousand good efforts than be without the efforts altogether. Of course, now and then you will get a swindle perpetrated.

1566. You rather suggest yourself a little coercion of local bodies?—Oh, yes; all possible coercion.

1567. How would you bring about that coercion—by statute?—Yes, certainly.

1568. Where a local body has a fund?—You cannot do it unless it is collected for a particular object.

Chairman.

1569. You do not say that because your own fund is now exhausted?—I do not, indeed; it is practically absolutely exhausted, and I am willing to be judged by results. Charges of overlapping are brought against me, and I had them all investigated, but I have never been found guilty.

Mr. Kearley.

1570. Your fund is still paying pensions to a very large body?—Yes, but as an existing agency its books are closed: its record is a record of the past.

1571. But the invested capital is doing, and will continue to do, splendid work?—I am much obliged to you.

1572. May I ask you this in a general way: Do you believe that when a sum of money is subscribed for a particular set of sufferers it should be entirely exhausted for their benefit?—Irrespective of the lapse of years and everything else, do you mean?

1573. I put it to you in a general way: for example, there are funds being subscribed now, and which have been subscribed during this war, for the benefit of widows and orphans of men who have fallen in the Transvaal War; is it your opinion that that sum of money should be exhausted for the benefit of the widows for whom it is subscribed, or should there be what I might call the hoarding of some of it?—I should say that undeniably the time may come when all the original purposes of the fund have been fulfilled almost. Is not that your meaning? Then there will be money which might usefully

Mr. Kearley—continued.

be applied to kindred purposes, but which is kept, by a sort of red tape, really in the original groove.

1574. I suggest to you that that is what should not happen?—I agree with you it should not happen.

1575. Do you agree that when a sum of money is subscribed for a particular set of sufferers, for the widows of those who went down in the "Captain," for example, the money should be exhausted for their benefit?—Yes, I agree, certainly, first of all, and if there is more left it becomes a question of the next best purpose.

1576. You mentioned that you have relied on your own records in connection with the widows you have been administering to, did you apply to the War Office for any information?—Oh, yes, they gave us every possible information.

1577. And that is where you got your information from?—Not altogether; we got our information from the War Office, local committees, military depots, private persons, doctors, clergymen and everybody that we could think of.

Mr. Lambert.

1578. Do you think that supposing the State started a scheme of pensions, which they are going to do, that will dry up the public generosity to any extent?—To a very great extent. My own opinion is that people would naturally say, "The State has undertaken this duty very properly, and it must do it fairly and generously, and therefore there is no occasion for us to subscribe in that direction as we have been accustomed to," and the public charity or the public generosity would go into kindred channels, dealing with other branches, perhaps, but not with the widow and orphan duty which the State had undertaken.

1579. And you would not have been able to achieve your magnificent success had it not been that there was no State arrangement?—Oh, dear, no; I got all I did get, because the people believe in the promptitude of my action and the practical nature of the work, they believed that the work would be very quickly and very practically done, and as soon as I made a return of widows effectively dealt with and verified within a certain number of hours or days, and to do which, with all respect to Parliament, a department would have taken weeks or months, the public said: "This is business, and the money flowed in, but all those sources are practically dried up as soon as the State takes the matter in hand. I do not mean to say that you cannot always get the public to subscribe for a special branch of suffering; but, as regards the widows and orphans, the State having undertaken that duty, private charity ceases.

1580. I wanted to ask whether, supposing in the case of some great disaster the State proposed to give a pension of only 5s. a week, which is not very large, you think it would be possible to get private generosity to supplement that pension?—I believe it would be possible, but it would always be difficult. The public is eager when it knows that everything depends upon its own action, and the individual member of the public says: "That is an awful case, I will go and help it," but when you have an official between

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between the case and the public it diminishes the energy, and takes away the sentiment.

1581. You hold a very strong opinion that pensions should not cease on remarriage?—That is my own opinion; of course, I daresay it is not always the official opinion, and in some degree it has the bias of a sentimental character. I have that opinion very strongly, and I also feel that if you take away a woman's pension when she ceases to be a widow it is a real premium on immorality. She says: "Very well, then, there are several other courses open to me: I will keep the pension."

Mr. Kearley.

1582. Was not your opinion formed more particularly in connection with the difficulty of making any other arrangement in your own fund?—Yes.

1583. Or is it your general opinion about State pensions?—As regards these widows.

1584. Yes?—It is my general opinion; you must take some risk in these things, and it is quite true that Mr. Jones, the second man, may profit a little by it, but it is not very much.

Mr. Lambert.

1585. And your system which you have generally described to us has worked perfectly to your satisfaction?—Absolutely; I really do not think—and I say, do not think I am sounding my own praises—that a 5*l.* note has gone wrong in this quarter of a million of money.

1586. And you think that the State could not do better than found their system on the system possibly improved of the "Daily Telegraph"?—I really think it is absolutely sound, and I told Lord Salisbury and Mr. Arthur Balfour when the thing was first started, and when Mr. Balfour said that the State intended to do something, that all the records were put up in a box, and the books, cards, and system of verification and everything else were at the disposal of any Department that took the question up, and also any information that my friend and colleague here could supply, he having helped

Chairman.

me in the main work. I think it is a good system.

1587. I think you are aware that there is a Council or Committee dealing with this subject which sits periodically at the Mansion House?—Yes.

1588. Is the "Daily Telegraph" represented on that Committee?—No.

1589. You had the opportunity of being represented?—Yes, we had, but inasmuch as we thought we should be a corpse by the time the thing was active, we did not think it was any use going on to the Committee because we had nothing to give.

1590. You think your ideas good, and I think they have been of very valuable assistance to the Committee, but as regards the distribution your view is that the amount should be distributed by a Central Fund and not by a local body?—The actual pay—yes.

1591. You would not make any exception even if the local committee were a thoroughly representative one and a thoroughly intelligent one?—Oh, no.

Mr. Kearley.

1592. I do not think you quite understand each other, if I may say so. You were referring in the first place to the "Off the Strength" Committee and you propose to have a central organisation for that, do you not? I understood you to say that you advised that the State should be the central organisation for the payment of all the other pensions?—No doubt.

Chairman.

1593. I rather differ from you: my inclination would be to give the actual distribution of the money to a local committee, but I take it that your view is that it should not be done by a local committee but by the State?—By the State it should be done absolutely, and you will get all sorts of confusion of accounts if it is not done in that way.

Mr. Bartley.

1594. You would like it to be done through the Post Office?—Yes.

The Witness is directed to withdraw.

ADMIRAL SIR WILLIAM DOWELL, G.C.B., is called in; and Examined, as follows:

Chairman.

1595. You represent the Royal Naval Fund?—Yes.

Mr. Hayes Fisher.

1596. What position do you occupy to the Royal Naval Fund?—I am the chairman of the committee.

1597. Will you tell us something of the history of that fund?—The fund is the result of the surplus over expenditure that we made on the Naval Exhibition.

1598. In what year was that?—In 1891. The amount of our fund is about 50,000*l.*

1599. That is still remaining under your control?—That is still remaining under our control, (0.21.)

Mr. Hayes Fisher—continued.

it is invested in the hands of trustees, the trustees being originally His Royal Highness the Prince of Wales (I suppose as he is King he is no longer trustee), Lord George Hamilton, Sir George Hayter Chubb, Sir William Dowell, Sir Arthur Jephson (who is dead), Sir Albert Rollitt, and Colonel Scaife, of the Royal Marine Light Infantry.

1600. By what scheme is your fund regulated. Was it a scheme drawn up by the Admiralty?—No it was a trust deed drawn up by ourselves. The interest of the fund is to be expended in the relief of the widows and children of men who die belonging to the bluejackets and marines who

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who are on the ships' books or in marine barracks at the time of their death.

1601. Is it strictly limited in its application to that object?—Strictly limited to that object. I may say it embraces dependent relatives also.

1602. But it is strictly limited in its application to the widows and children or dependent relatives of whom?—Of men who are absolutely in the service at the time of their death.

1603. In the Marine service?—In the blue-jackets and Marines.

1604. Who are in the service of the country at the time of their death?—Yes.

1605. Whether they die by accident?—We do not touch any —

1606. You do not touch the cause of death?—We do not touch any who receive pensions.

1607. First of all, do you inquire at all into the cause of death?—Yes.

1608. Did you limit your grants to the widows of seamen who died by accident?—No, we limit our grants to the widows of seamen and marines who die a natural death, and whose widows are entitled to nothing from the Government.

1609. On that I understood from Mr. Lambert, the director of Greenwich Hospital, that the widow of every seaman in His Majesty's service who died through service was eligible, and always obtain a pension provided she was of good character?—The widow of every man is not entitled to a pension. Here is a case in point, which I can show you. It came into me this morning.

1610. Let us clear this up. So far as your knowledge goes, it is not true to say that the widow of every seaman dying through service — ?—Through service, yes.

1611. You admit that the widow of every seaman dying through service is eligible, and will obtain a pension from Greenwich Hospital?—Yes.

1612. But you draw this difference—that it is not true to say that the widow of every seaman dying in the service is entitled to a pension?—Certainly not. If a man dies from natural causes or dies in bed his widow gets no pension.

1613. You therefore in distributing these pensions of the Royal Naval Fund would not give any pension to the widow of any seaman who died through service, because you would say the widow in that case is entitled to and will obtain a pension from the Greenwich Hospital?—Certainly: but we give gratuities, not pensions.

1614. How do you deal with the widows of seamen?—Our income is about 1,500*l.* a year, and we have ladies' committees at the ports, who inquire into any cases of death that occur and send up to us the names of the men who have died from natural causes, and we have requested the captains of all ships in all parts of the world to let us know whenever a man dies from natural causes; we then inquire into the case, and ascertain whether it is a case which will come under the Admiralty pension, and if it is not we then, on production of the marriage certificate, so as to be certain that it is a bona-fide case, give the grant—at present for the widow 25*l.* and 3*l.* for each child. That is

Mr. Hayes Fisher—continued.

taken charge of at the Home Ports by some lady who represents us there, or in case of its being in any other place where we have no representative we generally go through the minister of the parish, who almost always administers the fund for us. If it is necessary, the money is invested in something to start the poor woman afresh, or as is more generally the case she is given an allowance for so many years to tide her over the worst part of her widowhood.

1615. Looking to our reference your scheme or constitution positively excludes you from giving grants to the widows of any sailors who have lost their lives in war?—I do not think our trust deed would prevent our doing it but it is a very small sum and we have felt that these widows who receive nothing from the Government are people who are deserving of consideration, and ever since the commencement of our work in 1893 that is the system we have gone upon.

1616. Our inquiry here is into funds available for relieving widows and orphans of soldiers and sailors with the view of supplementing the scheme of Government pensions for widows and orphans of soldiers and sailors who have lost their lives in war. Looking to your constitution and your practice you have no funds at your disposal to supplement the scheme of Government pensions for widows and orphans of soldiers and sailors who have lost their lives in the war?—None at all.

Mr. Kearley.

1617. You are a Patriotic Commissioner, I understand?—I am.

1618. When you were before us in 1895 you ventured to give an opinion as to the utility of the Patriotic Commission. Have you had any reason to change your opinion since then?—No, I think the Patriotic Commissioners are doing a great deal of good work. I think that the system which the old patriotic fund was established upon was not perhaps the right one. I think that the system upon which the Victoria Fund is administered is a far more correct administration for funds collected for certain purposes than the old system of allowing money to accumulate, and only paying so much in the way of allowances to the beneficiaries, whether the whole fund will be expended upon that one object or not.

1619. You as a Patriotic Commissioner I take it advocate to-day a policy that has been pursued in the past—that when a sum of money has been subscribed for a particular set of sufferers it should be exhausted in their behalf?—I think it should be done as has been done with the Victoria Fund; a calculation has been made that when the last widow dies the last sixpence will be paid; but of course it will not work out to that, because the actuaries are always very careful, and they make too good an allowance as to age, so we shall have some money in hand.

Mr. Bartley.

1620. As regards this fund is there any trust? Are you tied to any trust, or did you only make the

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[Continued.]

Mr. Bartley—continued.

the trust yourselves?—We made the trust ourselves; but I do not think we have any power to alter it.

1621. It was the accidental profit of 50,000*l.* from that exhibition?—It was the profit of 50,000*l.* from that exhibition.

1622. At that time it could have been applied to pretty well any purpose?—With the sanction of our President, who was then the Prince of Wales—he approved of it—it was agreed that it should be paid to the widows and dependent relatives of men who die in the service, whether death was caused by service or otherwise.

1623. Of course there is nothing to prevent your changing the purpose of the fund if it is thought desirable?—Nothing at all as long as we keep within the limits of the Trust Deed.

1624. You have got the power if you think proper to appropriate it to any other purpose of a kindred nature you thought desirable?—We have only the power to appropriate it to the widows and dependent relatives of persons who die in the service. We have specially appropriated to the widows and dependent relatives of people who die in the service but are not entitled to any Government pension.

1625. But there is nothing in your trust deeds or anything to prevent, if it was thought desirable in the public interest, the appropriation of that money in some other way for a similar purpose?—I think you could not appropriate it to anybody except the widows and dependent relatives of men who died in the service.

Mr. Kearley.

1626. You could vary the trust by legal authorisation?—I suppose anything can be done by an Act of Parliament, but as far as the fund goes now I think we do a great deal of good we relieve a great many, and we clash with nobody.

Mr. Bartley.

1627. I only want to know whether your legal position is such that if it were thought desirable a change could be made in your mode of administering it—if you desire to do so. Supposing it were thought desirable to make it part of another fund there is nothing legally to prevent that?—Well, I should think the trust deed would have to be legally altered.

1628. No doubt—but it is not a bequest to you?—No.

The Witness is directed to withdraw.

MR. WALTER SHEEAN, is called in; and Examined, as follows:

Chairman.

1636. You come as representing the War Office?—The Commander-in-Chief's Funds. It has nothing to do with the War Office; they are quite outside the War Office.

1637. You are merely connected with the funds?—Yes; I am Honorary Secretary to the Tournament Fund and Secretary to the other two funds, the Woodman's Trust and the Royal Cambridge Fund.

(0.21.)

Mr. Bartley—continued.

1629. You simply formed your own trust?—Yes.

1630. And, as you formed it, I suppose you could reform it?—I suppose we might; but I should be very sorry that we should. Here is a case which has come before me this morning: The master-at-arms of the "Astrea" slips overboard and is drowned in Shanghai. Well, it is a question whether he was on duty or not, and the case is referred to the Admiralty, and Mr. Lambert asks that we will give them some temporary relief until they can hear from China and know the circumstances of the case. The widow of this man will now be given 5*l.*, just to tide her over the time until it has been ascertained whether the man lost his life on service—whether his death was caused by the service, or whether he was on leave and slipped overboard in that way in the latter case we should give her the remainder of the 25*l.*

Chairman.

1631. The Committee quite understand your present system, but that does not affect the question as to any possible reform in the future?—No.

Mr. Bartley.

1632. Supposing all these cases were taken up as a matter of course by the State, which some people think should be, then, of course, this particular case you have just instanced would be treated by the State at once?—Yes.

1633. And therefore some part of your duties would, so to speak, be altered?—Yes.

1634. And what I want to know is whether there is any legal difficulty, if it were necessary or desirable to change your trust for any other purpose of a similar character, in doing so?—I am not sufficient of a lawyer to say whether it could be done without an Act of Parliament or not, but we drew up that trust—the Committee of the Naval Exhibition drew up that trust—and Sir Albert Rollit was our legal adviser—for the benefit of people who die in the service. I think until that is altered we could not do anything.

Marquess of Bath.

1635. Have you in the navy what corresponds to a widow "off the strength" in the army?—No, they can marry if they like.

Chairman—continued.

1638. I think you gave evidence in 1896 before a Select Committee?—I did.

1639. There are one or two questions I wish to ask about the position of widows on the strength and off the strength; but that you would not be able to speak to?—I could not afford you any information on that point.

Mr. Hayes Fisher.

1640. Are you Honorary Secretary to the Royal

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Royal Cambridge Fund?—I am secretary to that fund and honorary secretary to the Tournament Fund.

1641. Take the Royal Cambridge Fund first: will you tell us the origin of the Royal Cambridge Fund?—In 1868 there was a bequest of 10,000*l.* left in trust to the Court of Chancery by a Mr. Woodman, who was an army veterinary surgeon, and the interest of this sum was to be paid to the Commander-in-Chief for the time being, and given at his direction to old and disabled soldiers. This only brought in 300*l.* a year, and that, of course, was very inadequate for the object in view; and so in 1882 I suggested to the Duke of Cambridge, who was then Commander-in-Chief, that an appeal might be made to the public with the view of increasing the funds and supplementing the Woodman Trust. He gave his approval and consequently a committee was formed, and an appeal was made to the public. It resulted in the receipt of about 7,000*l.* in bequests, legacies, and subscriptions. As the money did not seem to come in very rapidly I suggested to the Duke that we might revive the Royal Military Tournament which had lapsed. That had been started about four or five years previously by General Burnaby, and His Royal Highness sanctioned its being revived, and with a view to the whole of the profits being paid to the Royal Cambridge Fund. Part of the money was to be invested permanently so as to form a permanent fund, and the other part was to be treated as yearly income.

1642. What is the total amount of money now under the control of the managers of the Royal Cambridge Fund?—The amount actually invested is 36,640*l.* Then, in addition to that, the Commander-in-Chief generally transfers from the Tournament Fund the sum of 400*l.* or 500*l.* to be spent as yearly income.

1643. So that you have at your disposal a capital sum of 36,000*l.*, and you have an annual subsidy?—At the discretion of the Commander-in-Chief.

1644. During the last few years you have had an annual subsidy of 400*l.* or 500*l.*?—Quite, except during the last two years, when Lord Wolseley decided not to pay the money over to the credit of the Cambridge Fund, but to draw when necessary on the Wolseley Fund.

1645. What do you do with that money?—It all spent in grants and annuities.

1646. To what class of persons?—Old and disabled soldiers who are too old to work for their living.

1647. Do you give any of that money in grants or pensions to widows?—None at all.

1648. So far as the 10,000*l.* of the Woodman's Trust is concerned, I suppose you are absolutely bound by the terms of the bequest?—There was a scheme prepared by the Charity Commissioners at the request of the Court of Chancery and the Royal Cambridge Fund, which was affiliated to the Woodman's Trust, is governed and administered on the same lines as the Woodman's Trust.

1649. It is administered on same lines as the scheme drawn up by the Charity Commissioners for the administration of the Woodman's Trust?—Yes.

1650. And that scheme entirely excludes the

Mr. Hayes Fisher—continued.

granting of any pensions or allowances or donations to widows?—Yes.

1651. It is solely applicable to pensions or grants to discharged soldiers?—Quite; and they must be too old to work—they must be disabled.

1652. If this Committee should recommend or it should be recommended by anyone that this fund should be made available to supplement pensions given to widows, it would necessitate going to the Charity Commissioners, and probably to Parliament, to obtain an alteration in the scheme?—You would have to go to Parliament; the Cambridge Fund is governed by a trust deed, and the money is vested in the names of three trustees.

1653. As to the use of this fund would you say that it was usefully spent?—Certainly in the majority of these cases—the average ages—are about 65, and the pensions are very small, some not more than 9*d.* a day. The greater number are only about 9*d.* a day.

1654. You mainly spend this sum in supplementing pensions given by Chelsea Hospital?—Not in every case, because in some cases they have no pension at all.

1655. In many deserving cases, as I very well know, the Chelsea Commissioners are so bound by their warrants that they are unable to give any pensions at all?—They cannot give any pensions under 15 years' service.

1656. But in a variety of cases we are bound by hard and fast rules?—Yes.

1657. And in those cases would you give an original pension?—Yes.

1658. And in other cases, where you would consider the pensions we would give inadequate and where we are often bound by rules as to the amount, you would supplement the pension?—Yes.

1659. And, therefore, so far as your opinion is concerned, it would not be wise to divert this fund from its present application to supplement pensions given to widows?—No, I do not think so at all.

1660. You think every penny of it is usefully spent for the class of applicants to which you at present devote it?—Certainly; in fact it is the only fund I think that old soldiers are eligible for.

1661. I may take it from you that if you had the dealing with it there is nothing to be got from that fund for the purpose for which this Joint Committee was set on foot?—Absolutely nothing.

1662. Now we will turn to the Wolseley Fund. How did that originate?—As I tell you, the Tournament was revived in 1884, and until the late Commander-in-Chief, Lord Wolseley, came into office the whole of the profits were paid to the Duke of Cambridge, and he paid them over to Cox the army agents with whom we bank, and the committee invested a certain portion of this money for the Royal Cambridge Fund, and the rest was spent annually. When Lord Wolseley came into office he decided that the money should be diverted into other channels, that is to say, one portion of it should be given to women who were the widows of old soldiers and who are also too old to work for their living, that is to say, women between 60 and 80, too old to do anything, and that the other part of the money should

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should go towards the assistance of military charities. We called it the Wolseley Fund, and it assisted the widows of soldiers.

1663. What is it derived from?—From the profits of the Annual Military Tournament.

1664. What would they amount to?—The actual profits from the Military Tournament up to the present time from 1884 amount to 71,000*l.* lumped together, but on the average you may put it down at 4,500*l.* a year.

1665. Would you have 4,500*l.* a year at your disposal for the purpose of granting or supplementing pensions?—Not pensions; you could not give a pension from this fact, that at any time the Military Tournament might cease to exist.

1666. Then you only make grants?—Grants, that is all.

1667. What would be the probable amount of the annual grants which you make to the widows of soldiers out of that fund?—That would depend in a great measure on the age of the widow and whether she had got any children dependent upon her for support.

1668. What would be the total amount you spend for that purpose?—There are three branches—the English branch, which I deal with; the Scotch branch, which is under the General Officer Commanding the Forces in Scotland; and the Irish branch administered by the General Officer Commanding the Forces in Ireland; and every year the Committee sends on the average about 600*l.* or 700*l.* to the Irish branch, and 300*l.* or 400*l.* to the Scotch branch. In addition to that we spend about 3,000*l.* a year on the English branch, so that you may put it down at about 4,000*l.* a year roughly speaking.

1669. You are now devoting about 4,000*l.* a year to grants to the widows of soldiers?—Yes, but, of course, that depends upon the amount we have had each year. I am speaking of the average just now in saying 4,500*l.* a year. Some years—for instance in 1897—we got 12,000*l.*; in 1898 we got 10,000*l.*; last year we got 7,500*l.*; but of course if we only had 4,500*l.* we could not give 4,000*l.* to the widows and leave only 500*l.* for the ordinary military charities.

1670. What would you assume is likely to be at the disposal of the managers of the Wolseley Fund for the purpose of giving grants to the widows of soldiers. What do you think you can rely upon?—We cannot rely because it varies so much each year; it depends entirely upon the profits.

1671. It varies from what maximum to what minimum?—We have had as little as 1,800*l.* profits, and we have had as much as 12,000*l.*, which is the maximum.

1672. But you would rather lead one to believe that you have struck an average of about 4,000*l.* a year?—Yes; if we got about 7,000*l.* or 8,000*l.* a year, probably about 4,000*l.* of that would be devoted to the widows and the rest would be given to military charities.

1673. Supposing therefore that the Government pension scheme is set on foot by which 5*s.* a week is granted to all widows, you think from the Wolseley Fund there would be a sum of about 4,000*l.* a year which might be given in supplemental grants or pensions?—Well, I do not think the Wolseley Fund is applicable at

Mr. Hayes Fisher—continued.

all to those cases. The cases you are referring to are more those of the widows of soldiers who have been killed in war. It is not so in this case, they are not considered. Their cases are dealt with under different funds. These are simply the cases of widows of old soldiers—old widows who are too old to do anything for themselves and to earn their own living.

Chairman.

1674. And old age constitutes their claim for recognition?—Quite so.

1675. But you do not take into consideration whether the husband has died through service?—No, we do not; any widow of a soldier who has performed good service and who is aged and necessitous is eligible for consideration.

1676. Have you many more applications from aged and necessitous widows than you can possibly relieve?—No, I think not; we have quite enough at the present moment; we have only I think about 200*l.* in hand to carry us over until the next Military Tournament profits are received—in about another six weeks.

1677. You are perfectly well aware what the reference to this Joint Committee is?—Quite.

1678. And the objects of our inquiry?—Yes.

1679. And you have given a good deal of attention and thought to that subject?—Well, I have been secretary to these funds for a great many years.

1680. So far as your own opinion is concerned, do you think there is at the disposal of the Wolseley Fund any sum of money which could be made available to supplement State pensions to widows given to the widows of soldiers or sailors who have fallen in war?—I do not think so—without robbing a very necessary charity.

1681. Without diverting that charity from present very deserving applicants?—Quite so.

1682. Have you any other fund at all at your disposal?—Those are the only funds. The Tournament Fund and the Wolseley Fund and the Royal Cambridge Fund, which is affiliated to the Woodman's Trust, and which is administered on the same lines.

1683. Do you know anything about the Seaton Fund?—No, it is a Scotch fund.

1684. I think an Irish Fund?—I am afraid I cannot give you any information on that.

1685. Do you know anything about the regimental funds?—No. I cannot tell you anything about them.

1686. You have no official connection with them?—No they are not in my branch, except that the regiments—a great many of them—subscribe annually to the Cambridge Fund because we assist old men belonging to their regiments.

Lord Newton.

1687. I am not clear about the profits from the Military Tournament. Do they all go to the Wolseley Fund?—The Wolseley Fund is simply called the Wolseley Fund to distinguish it from the other part of the fund which is for military charities; the Wolseley Fund was so called when Lord Wolseley was there as Commander-in-Chief, and we used the term "Wolseley Fund" for the sake of convenience in auditing the

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the accounts as representing simply the fund that was given to soldiers' widows.

1688. As I understand the Wolseley Fund applies solely to widows?—Quite so, and it is part of the Tournament Fund. The Tournament Fund consists of the whole of the profits, part of which is allocated to widows which used to be called the Wolseley Fund, and is now called the Commander-in-Chief's Fund, and which will be known in future by that name. The other part is given to military charities.

1689. Then I suppose 400*l.* or 500*l.* of it goes to the Royal Cambridge Fund?—Yes, that comes out of the general drawings account; that is paid over to the Royal Cambridge Fund.

1690. Out of the Tournament profits?—Certainly.

1691. On what system do you make your grants from the Royal Cambridge Fund for instance?—Two or three things have to be considered. First of all the age of the applicant, his service, whether he has had good war service, and so on, and also if his wife is still alive; of course she would be an aged person probably because most of these men are over sixty-five years of age, and the amount of his pension if he has got any; if he has got a small pension of course he would not get so much probably as we would give to a man who had no pension at all. Then we give annuities in those cases, out of the Cambridge Fund, of 5*l.*, or where they have exceeded the age of eighty we increase them to 10*l.*

1692. Would it not be possible to simplify things by amalgamating all these different funds?—No, I do not think so. Practically the Woodman's Trust and the Royal Cambridge Fund are one. They are on the same lines, and the trust deed is so drawn up that the conditions are exactly the same as the Woodman's Trust as approved by the Court of Chancery, and the accounts are audited by the Court of Chancery.

Mr. Hozier.

1693. How does the old soldier apply for a pension or grant under the Royal Cambridge Fund?—He applies to the secretary—to me. "To the secretary, Royal Cambridge Fund, War Office," and then he has a form sent to him to fill up, and he has to state his circumstances, and so on, and to make a declaration that what he says is true before a magistrate or the clergyman of the parish.

1694. Is it an objection that he has left the Army for a long time?—Not a bit, because naturally when they are so old they must have left the Army for a good many years.

1695. Does distinguished war service constitute a special claim?—Yes, we consider it does and also if they have long regimental service.

Mr. Bartley.

1696. Is the Tournament kept up officially by the War Office?—Yes, it was originally started by General Burnaby, who was a Member of Parliament for some time.

1697. It is an official tournament?—It is official so far now that it is in Army Orders; the date is issued, and so on.

Mr. Bartley—continued.

1698. In its management and for all practical purposes it is an official occasion?—Yes, it is managed by a committee under the General Officer Commanding the Home District.

1699. It could not be carried out without official permission?—No.

1700. And therefore the profit is really an official source of profit in a sort of way?—To a certain extent, although it really has nothing to do with the War Office; it is at the absolute disposal of the Commander-in-Chief so long as the money is given to military charities.

1701. If this money was all officially appropriated do you think there would be a tendency to decrease the profits or not?—I think possibly the Commander-in-Chief might say, "I will not have the Military Tournament at all in future."

1702. You think that might happen?—I think it might, if you took it out of his hands.

1703. You think that would be the tendency?—It is in his power to stop the Tournament if he wished to do so.

1704. And therefore you do not think it would be desirable to amalgamate this fund with any general pension fund?—No, I do not. Besides we have great facilities at the War Office for finding out the genuineness of all these cases, which outsiders have not.

1705. But you understand the idea is that there should be a general system?—I understand that.

1706. That would do away with some of these applications?—Yes.

1707. Still you think there is room for a separate fund for special cases?—I think so, this being a different one, and not being a war fund at all; it is not for the widows of soldiers who have died in battle.

Mr. Kearley.

1708. There are rules governing the Military Tournament as to committees and so on?—Yes, I believe there are.

1709. I see we had Lord Methuen before us as a witness in 1895?—Yes.

1710. And he told us that the Tournament was supervised and controlled by a permanent committee of 12 members, who elected their own chairman, and of which the General Officer Commanding the District in which the Tournament is held is the vice-chairman?—I was under the impression that he was the chairman.

1711. The Commander-in-Chief is, I think, the chairman?—Yes, quite so.

1712. Was Lord Methuen at that time the General Officer Commanding the District?—He was.

1713. He called our attention to Rule 19, which is this: "The Committee shall annually place at the disposal of His Royal Highness the Commander-in-Chief" (the Duke of Cambridge then being Commander-in-Chief) "for the benefit of any military charities nominated by His Royal Highness, such surplus profits as may be available after the necessary expenses are paid, and such reserve fund set aside for future expenses as may in the opinion of the Committee be desirable"?—Yes—well, that was a mistake altogether

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altogether; the Tournament was raised with a view to the whole of the profits being paid to the Duke and being handed over to the Royal Cambridge Fund, and it was frequently advertised in the papers, "For the Royal Cambridge Fund," but the wishes of the Committee were that the whole of this money should not go to the Cambridge Fund but that they should allocate it to other military charities. They always rather objected to it.

1714. There was a difference of opinion between the Committee and the then Commander-in-Chief as to the disposal of these funds?—Yes.

1715. And Lord Methuen told us that when this difference of opinion was made clear the Commander-in-Chief reminded the Committee that they had nothing whatever to do with the disposal of the funds, that they were simply a committee appointed by him to arrange for the carrying out of the Tournament?—That is so.

1716. Then I may take it that the same thing applies to-day—that the Commander-in-Chief, whoever he may be, has arbitrary powers of disposal over these funds?—Exactly, so long as they are not diverted from military channels; he could not give them to any civil charity, such as a hospital.

1717. No but he could dispose of them in whatever way he wished?—Yes.

Chairman.

1718. Then he might give the whole of the profits to the Royal Cambridge Fund if he was so disposed?—I do not think it at all likely.

1719. But he would have the power to do so?—He might do that the same as the Duke of Cambridge did, but I think there would be no further object in doing that, because the Royal Cambridge Fund is now sufficiently large to deal with the cases that arise from time to time. The Fund is now, you see, on its legs; the investments are sufficiently large to produce an income sufficient to cope with these cases of distress; so that therefore the reason no longer exists that did before, that the whole of the profits should be given to the Cambridge Fund.

Mr. Kearley.

1720. May I take it that the same difference of opinion exists in the Army Service as to the arbitrary power of the Commander-in-Chief dealing with these funds; it certainly existed in 1894?—I do not think that there is any friction between the Committee and the Commander-in-Chief as to the disposal of these funds now; but I am not in a position to say anything on the subject, because as secretary I receive a cheque for the profits, and pay into Cox's, and it is administered by the Commander-in-Chief, and I draw cheques according to what he tells me to do. Practically I have nothing whatever to do with the Committee that manages the tournament.

1721. These funds were handed over from the year 1883 down to certainly 1896 to the Cambridge Fund for old and disabled soldiers by the then Commander-in-Chief?—Yes.

1722. Out of this fund was not there 3,000*l.*

Mr. Kearley—continued.

allocated for the building of a bath at Aldershot—4,000*l.*

1723. Do you call that a charity?—It is very questionable, I think; I think the Government ought to have paid for it themselves.

1724. I just thought of that. I remember a question being asked in Parliament?—That is the only grant that has ever been made that is open to doubt.

1725. We have not had that before—it is rather important to get it; this fund has not been exclusively utilised for charitable purposes?—Well, some might say it is a charity that soldiers should have a good means for cleanliness; but, for my own part, my opinion is not worth much perhaps. I should say, as I said before, that the Government ought to have paid it, and that the money might have been applied more strictly to charities.

1726. I think the trust that we were led to suppose existed breaks down when it can be shown that money has been given away for swimming baths?—That is the only sum that has been given at all that can be scrutinised and any objection taken to, and it was done on the recommendation of the Adjutant-General to the Commander-in-Chief, and the Commander-in-Chief, of course, was answerable for making the grant.

Lord Newton.

1727. Was it not recommended by the Committee?—No, the Committee simply handed the money over you see.

Mr. Kearley.

1728. Now, as regards the invested funds, I see that down to 1895 you had invested under the heading of the Royal Cambridge Fund, to which these tournament subsidies go, 29,000*l.*?—Yes, rather more than that.

1729. 28,805*l.*—that was the amount stated by yourself at the time?—At the present time we have 36,640*l.*

1730. This is a paper handed in by you on 3rd July, 1896, and you there give us the profits from the military tournaments from year to year?—There may have been some money outstanding that had not been invested at that time has been invested since—in fact, I think there has been some money invested since. That is the amount now—36,640*l.*

1731. Could you bring these figures up to date? The last figure I have here is 1895, showing the profits from the Military Tournaments?—I can give you the last balance-sheet of the Cambridge Fund and also of the Wolseley Fund.

1732. There are invested funds of 36,000*l.*?—There are no invested funds of the Tournament Fund.

1733. But of the Royal Cambridge Fund?—Yes.

1734. I understand you pay over the profits to that Fund?—Some of the profits are handed over.

1735. What becomes of the remainder of the profits of the tournament?—It is given to widows of old soldiers and military charities.

1736. That

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[Continued.]

Mr. Kearley—continued.

1736. That is administered separately from the Royal Cambridge Fund?—Quite separately; it is a different account altogether. It has really nothing to do with the Cambridge Fund now, since Lord Wolseley was Commander-in-Chief, except that he handed over every year a few hundred pounds to assist the Cambridge Fund, as a sort of set-off for the money we used to have; because we used to have the whole of it. Then when he came into office he said: "No, I will not give you the whole of it, I will give it to certain other military charities, but I will give you a few hundred pounds when you want it;" and that we have had until the last two years, and then he said: "Well, I shall not give you any money actually handed over to the Royal Cambridge Fund, and if you are short of funds then you can draw on the Wolseley Fund for these old soldiers." That is what I have been doing for the last two years; last year I drew 450*l.* on the Wolseley Fund outside what we had given from the Cambridge Fund. The present Commander-in-Chief proposes, I think, to continue to transfer a certain sum to the Cambridge Fund every year; he transferred 200*l.* the other day, so I think we shall go back to the old order of things again.

1737. At the time you gave evidence in 1896 the whole of the moneys were being handed over?—Up to 1896.

1738. Since then there has been an alteration?—Yes.

Chairman.

1739. Then the fund on which Lord Wolseley suggested you should draw is in connection with Messrs. Cox?—Yes.

1740. And the sum, which is about 4,000*l.*, that has been given over is merely for the purpose of those who are aged and necessitous?—That is so.

1741. And that is quite distinct from that portion given over to the Cambridge Fund for Charities?—Quite.

Mr. Bartley.

1742. Supposing the Commander-in-Chief thought proper to hand over the whole of this for a gymnasium as well as a swimming bath would he be able to do it?—No, I do not think so, it does not come within the conditions of the Tournament.

1743. Where is a swimming bath included?—It is for military charities to begin with, and that would be a charity.

1744. You think washing is a charity, but not gymnastic exercises?—I do not think at any rate that the question would be likely to arise.

1745. You think that was a strong order—even a swimming bath?—Yes.

Chairman.

1746. You do not think the question of a swimming bath would ever arise again?—I am sure it would not.

The Witness is directed to withdraw.

Ordered: That this Committee be adjourned to Friday, 7th June.

Die Veneris, 7^o Junii 1901.

MEMBERS PRESENT:

Marquess of BATH.
Earl of DARTMOUTH.
Earl of MALMESBURY.
Viscount HAMPDEN.
Lord JAMES.

Mr. ARCHDALE.
Mr. HOZIER.
Mr. HAYES FISHER.
Mr. KEARLEY.
Mr. LAMBERT.

THE RIGHT HONOURABLE THE LORD JAMES OF HEREFORD IN THE CHAIR.

MAJOR-GENERAL GEORGE SALIS-SCHWABE, is called in ; and Examined, as follows :

Mr. Hayes Fisher.

1747. You are kind enough to come and give us some evidence as to the working of Chelsea Hospital. You are, I believe, Deputy Governor of Chelsea Hospital?—I am Lieutenant-Governor and Secretary.

1748. Prior to that I think you commanded the 16th Lancers?—I commanded the 16th Lancers, and then the 28th Regimental District, and then the troops in Mauritius.

1749. And for a short time you were a Member of Parliament on the Liberal side of the House?—I was a Member of Parliament for a short time.

1750. How long have you been Secretary at Chelsea?—Over three years.

1751. For how long is that appointment made?—The appointment is for five years in the first instance, but the holder is eligible for re-appointment up to the age of 62.

1752. I suppose you were appointed by the Secretary of State for War?—I was appointed by the Secretary of State on the recommendation of the Commander-in-Chief.

1753. Will you, first of all, tell us quite shortly what are your duties as regards the in-pensioners?—The duties as regards the in-pensioners are those of Lieutenant-Governor. Originally there were two officers, a General Officer (the Lieutenant-Governor), and another General Officer (the Secretary). The Lieutenant-Governor's duties are entirely with regard to the In-pension Establishment, but the duties of the Secretary are with regard to the issue of pensions generally to the Army, including now, the Colonial Forces, also the renewals and increases of pensions; also with regard to the computation of pensions, and dealing with the offences of pensioners. Further, with the supply of surgical appliances to men who are discharged from the Service as invalids. Also the ordinary estate duties connected with the grounds and property of the Commissioners. The Secretary acts under the direction of the Commissioners, and is himself a Commissioner, *ex-officio*.

1754. Practically all pensions given to soldiers come under your supervision, and to a certain extent your control?—Yes. I have to prepare, or rather see that in my office the necessary details (0.21.)

Mr. Hayes Fisher—continued.

are prepared, and then the question as to whether a pension is to be awarded or not is submitted by me at the weekly board to the Commissioners. The Commissioners give me authority in cases in which men have absolutely no claim to pension to reject those cases, subject to their being brought before them in case of any appeal against the rejection; but in all cases awards are brought before the Commissioners, and made at their weekly board meetings. Of course, there are a certain number of awards which depend on a man's service, and are not in any way at the discretion of the Commissioners as regards rates. Those I prepare and fill in, but they are all passed by the Commissioners at their weekly board.

1755. But in the majority of cases there is great discretion in the Commissioners to give a certain rate of pension or no pension at all?—Yes, in a very considerable number—more than half.

1756. Mr. Lambert has told us that at Greenwich the sole decision for the granting or withholding of any pension to a seaman, or rather to the widow of a seaman, rests with him; that is not so, I believe, at Chelsea?—That is not so at Chelsea.

1757. There is a Board at Chelsea?—Yes.

1758. Of whom does that Board consist?—The Board consists of the Paymaster-General as Chairman, then of the Secretary of State for War and the Commander-in-Chief, but they have too much to do to attend. The Under-Secretaries of State for War, of whom the Parliamentary Under-Secretary of State usually attends. The representative (one of the Junior Lords) of the Treasury regularly attends. The Financial Secretary, who is too much occupied to attend regularly. The Governor of the Royal Hospital, who is usually present; and the Director-General Army Medical Service. Then the Quartermaster-General, Deputy-Adjutant-General, and Inspector-General of Recruiting; of these three one attends each time. A member who is specially nominated by the Secretary of State for War to represent him; at present Mr. Cave, the late Assistant-General of the Army; also an officer specially

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[Continued.]

Mr. Hayes Fisher—continued.

specially selected by the Commander-in-Chief to represent him; and myself as Lieutenant-Governor and Secretary. The last two Commissioners whom I have mentioned, namely the representative of the Secretary of State for War and the representative of the Commander-in-Chief, attend regularly.

1759. How is that Board constituted; how are the members appointed?—They are appointed by Royal Warrant; a certain number of them are *ex-officio*, and a certain number are nominated by name.

1760. So that being appointed by Royal Warrant it would be possible to enlarge that Board or diminish that Board, or alter that Board by Royal Warrant?—Yes, by means of a Royal Warrant, and that is done from time to time.

1761. What is the quorum?—Three.

1762. What would you say was the general average attendance—Now the general average attendance is six; it used to be less, but certainly for the last year it has been six.

1763. How often does that Board meet?—Once a week.

1764. What are its average sittings?—Now it sits from half-past 10 in the morning until about 6 in the evening, with an hour for lunch, but prior to the war it used to sit from about 10.30 to 1.

1765. The ordinary duties have, I suppose, been very largely increased by the war?—I should say that they have been at least trebled.

1766. Have you had extra staff to meet the situation?—Yes. The establishment is 12 Civil Service clerks; that number has now been temporarily increased to 22.

1767. Would you just give a description of the ordinary duties which the Board perform; deal with an application for a pension; just give the history of an application for a pension?—An out-pension?

1768. Yes, an out pension—

Mr. Kearley.

1769. Will this be a service pension?—Well, there are three kinds of out pensions, service pensions, disability pensions, and compassionate campaign pensions, and I had better perhaps take them in rotation. First of all with regard to the service pensions, every man who is discharged as time expired after 21 years or under certain other circumstances with less service is entitled to a service pension; his papers on discharge are sent up to Chelsea, and in the office there according to the Regulations of the Royal Warrant the amount of his pension is assessed, and the assessment is put before the Commissioners, and passed as a matter of course; in the case of any appeal with regard to the assessment, if there is any doubt, the papers are submitted to the Board, but the chief work of the Commissioners is in connection with the disability pensions.

Mr. Hayes-Fisher.] This is what I want to get at.

Viscount Hampden.

1770. Is the 21 years' service in the ranks?—Any man is entitled to a pension who has been 21 years in the ranks or in the non-commissioned ranks.

Mr. Hayes Fisher.

1771. So that there is no discretion in the Commissioners as to that?—No discretion.

1772. What I want you to trace for the Committee is the history of an application for a pension where there is a large amount of discretion in the Commissioners as to whether they will give anything or nothing, and if they give anything, what they will give: that is a disability pension?—Yes. Every man who is discharged from the Army for a disability has certain documents called discharge documents, and those documents include a detailed medical report on the cause of his discharge, and the effect that the disability will have on his earning powers. Also his medical history sheet, which gives full information as regards the various ailments or injuries he may have met with in his service. Those discharge documents with this information are sent up to the Royal Hospital, and in the secretary's office a very careful *résumé* is made of all the particulars, and in addition to that, the secretary has to inquire into any circumstances which are not perfectly clear; he has to make reference, for instance, to the medical officers who send up the report, or again, if the medical officers state that they have not sufficient information, he takes upon himself to send to the officer commanding the unit to which the man belonged to ascertain whether he can give any explanation as to whether the man had met with any injury or there were any circumstances which would give him an additional claim to pension. In ordinary peace times these reports are usually very full, and there is not, as a rule, any necessity for reference, but in war time the documents come in in a very unprepared manner—I think unavoidably so—and in consequence reference has to be made, and sometimes even after reference the information is not very satisfactory; then the Commissioners have to consider the information before them, and make the best award that they can. It requires a considerable amount of discretion.

1773. In the case of disability, the rate for a private soldier varies in the discretion of the Commissioners, does it not, from 6d. to 1s. 6d. a day if he is partially incapacitated, and from 1s. 6d. to 2s. 6d. a day if he is wholly incapacitated?—That is to say, in the case of his being incapacitated by wounds or injuries on duty, or blindness or sunstroke.

1774. Or in case of this war now, by disease contracted from exposure in the field on active service?—In the case of this war it is so, subject at the present time to the approval of the Commissioner representing the Treasury, and to the disease being wholly and directly due to war service.

1775. These are all out-pensions we are dealing with?—Yes.

1776. Therefore, it is extremely important that the Commissioners should be able to ascertain to what extent each of these applicants is debarred from earning his living?—Yes.

1777. And the Commissioners therefore have to make very careful inquiries in each case as to his physical condition and capacity for the next year at all events?—Yes.

1778. Do

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[Continued.]

Mr. Hayes Fisher—continued.

1778. Do you find many difficulties in making these inquiries?—I cannot exactly say I find difficulties, because I find people are perfectly willing to give information, but there is a considerable amount of work, more especially with another branch which we will come to later, namely, that of the renewals. As to the men who come on the pension list straight from the Army we have to make inquiries from the officers under whom they have been serving, and from the medical officers as to their powers of earning, but it is more or less a matter of guesswork—

1779. These pensions are generally given for twelve months conditionally, are they not?—Yes.

1780. And at the end of the twelve months those cases come up for renewal?—Yes.

1781. Again, the Commissioners have to make careful enquiries as to the earning capacity of the soldier?—Yes.

1782. With a view of either renewing the pension or of making it permanent at a certain rate?—Yes. May I explain how the renewals are brought before the Board?

1783. What I want to get before the Committee is the fact that large discretion is placed in the hands of the Commissioners to give or withhold pensions, or to give them at certain rates, and that in order to form their views and judgment in each case they have to make somewhat elaborate inquiries, and that up to the present they have been quite successful, speaking generally, with their staff in making those inquiries?—The renewals are made in this way: when the year for which the original pension has been granted is drawing to a close, a form is sent to the nearest medical officer, and the man is ordered to attend for examination; the medical officer then reports on the man's present state, and he asks the man how he has been employed, what wages he has been earning, and the name of his employer. That is then sent up, and if the statement with regard to the wages and with regard to the amount of time that he has been employed does not coincide entirely with the view which the medical officer has formed, then further inquiries are made—letters are written to the man's employer, or if he gives the name of no employer letters are written to the police, and from the police especially we get confidential reports of a very minute nature, and very correct.

1784. I think on that point perhaps you would like to state that in writing to the police you carefully guard against raising any suspicion against the man's character?—Oh, yes. The letter is worded usually that "So-and-so having been wounded in the late war, the Commissioners desire to be informed as to whether he has been able to get employment in addition to his pension of so much, or in what way he has maintained himself; they would also be glad to know whether it is the case that he is unable to work." It is worded in such a way that the police see that the inquiry is rather with a view of benefiting the man than in any way going against him.

1785. Or making any reflection upon him?—Yes; and also we apply to various associations. I constantly receive letters from the local officers of the Soldiers' and Sailors' Families Association, and also from the Soldiers' and Sailors' Help

Mr. Hayes Fisher—continued.

Society, and from the various veterans associations which now exist throughout the country.

1786. Wherever, in fact, there are any local branches of either the Soldiers' and Sailors' Families or the Soldiers' and Sailors' Help, or any other local bodies taking an interest in soldiers, you apply to them and in many cases receive valuable information from them?—Yes, in many cases I apply to them, and in many cases they volunteer information; they take up the cases of the invalids and pensioners in their neighbourhood.

1787. Would you go so far as to say that the stronger those branches are—the branches of any organisation of that kind—the more efficient help you would obtain in making your inquiries as to the condition and prospects of the soldiers' life?—Certainly, those associations are of the greatest assistance in helping to find out the truth in regard to the pensioners.

1788. Another branch, I think, of the work at Chelsea Hospital is the granting of what are called campaign pensions?—Yes.

1789. Will you tell us shortly on what conditions campaign pensions are given, and therefore what inquiries have to be made?—Yes. Campaign pensions are compassionate pensions which are given to men who are in the receipt of medals for some campaign, are over 65 years of age, and are in necessitous circumstances; that is to say, the Treasury have laid down that "necessitous circumstances" consist in not having more than 10s. a week of income from all sources.

1790. Therefore in granting those you have to make very careful inquiries as to the income that the man has been lately obtaining?—Yes. There is a large form which is drawn up, and in addition to that, as these men are not on the pension lists, because they are men discharged without pensions, we have to identify the men, and therefore we have to ask them a considerable number of questions with regard to their former service, and also get their signatures which we compare with their discharge documents, and in addition to that we have to ascertain that they really have not got more than 10s. a week; we have to go into considerable detail as to what they have got and for whom they have been working, and if they are not in receipt of any income, why they are in receipt of no income, whether it is owing to incapacity, and the statements they make all have to be carefully sifted and verified.

1791. And in those cases again, I take it, you make your inquiries through the same channels—the clergy, doctors, any local branches of the Soldiers' and Sailors' Families Association or Soldiers' and Sailors' Help Association?—And through the police.

1792. And, as a rule, would you say that you meet with any great difficulty in ascertaining the truth about the position of the man?—I think not; I think we are generally successful in getting at the truth.

1793. You do not feel at all discouraged in that kind of work?—No.

1794. Is not another branch of the work of the Chelsea Commissioners the consideration of the commutation of soldiers' pensions?—Yes; under the present regulations if any non-commissioned officer or man has got a pension of more than 1

shilling

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[Continued.]

Mr. Hayes Fisher—continued.

shilling a day he is eligible to commute the portion over 1s. or any part thereof if it can be proved to the satisfaction of the Commissioners that it is distinctly and permanently to his advantage that such commutation should be allowed. Therefore when a man applies for commutation a form is sent to him, which he is requested to fill up, showing exactly why he wishes to commute, also asking how he is employed, what family he has, whether his wife consents, and he is asked to get recommendations as far as he can from people in some position who know him, and who know the object for which he wishes to commute, and they are asked to state their opinion as to whether it is really likely to be to the man's advantage, and whether he is likely to succeed in whatever undertaking he may have in hand. Then again if there is any doubt about this man's statements they are carefully tested by confidential inquiries which are sent out in the same manner as I have already described with regard to the campaign pensioners, only in each case it is clearly explained to the people from whom the inquiries are made that the man is a worthy man, and that there is nothing against him that these inquiries should be made. After that, if the Commissioners consider that it would be to the man's permanent advantage he is medically examined to see whether he is in good health, and provided that is so the commutation is granted.

1795. Shortly the Commissioners are in the habit of, every week, making inquiries into the whole family history and conditions of men who want to commute their pensions?—Yes.

1796. Ascertaining how many members are in the family, what amount they are capable of earning, what use will be made of the money when it is commuted, and generally ascertaining in the most minute way the position of the family?—Yes, that is so.

1797. Of course, you must not praise yourself or the Chelsea Commissioners, but yet you were yourself a Member of Parliament once upon a time, and you would say on looking back on your three years at Chelsea Hospital, generally, that the system has met with the satisfaction of the public?—I think so; of course, we get complaints with regard to the smallness of the pensions from time to time, more especially with regard to these campaign pensions.

1798. But that is fixed by the Government?—That is a complaint with regard to the Royal Warrant, not, I think, with regard to the way in which it is administered by the Commissioners. I think the way they administer the duties, as far as I can judge, gives satisfaction.

1799. Are the Chelsea Commissioners answerable to Parliament?—I think so; they are appointed by Letters Patent under the Great Seal, so I suppose they are answerable direct to Parliament.

1800. And all their proceedings can be discussed on Parliamentary Estimates?—Yes; in the House of Commons the Secretary of State for War answers for them.

1801. And questions are not uncommonly asked in the House of Commons. I believe, as to the rate of pension and as to the why and the wherefore of such a pension being given or withheld?—Yes, and those questions are sent on to the Royal Hospital, and the explanation is then

Mr. Hayes Fisher—continued.

given by the Secretary of State for War to Parliament.

1802. So that in the work done by Chelsea Hospital, the people themselves are in touch with Chelsea Hospital through Parliament?—Yes.

1803. They can make inquiries and obtain answers as to why certain things are done or not done?—Yes, and also when they come direct they get answers in the same way.

1804. Now, I should like to ask you a very direct question, I daresay you will see what I have been leading up to. Supposing the Government, either on the recommendation of this Committee or without its recommendation, should ask the Commissioners of Chelsea Hospital to undertake the distribution of pensions to widows, or supplementary pensions to widows, do you think that work could be adequately and efficiently performed by the Commissioners of Chelsea Hospital?—I think you mean the award of pensions, not the distribution.

1805. Did I say "distribution," I meant the award?—Yes, I think it would be quite possible to undertake that duty. It would mean an increase to the clerical staff.

1806. It would mean an increase to the clerical staff. Could you tell us at all what kind of increase you would contemplate in case that work were cast upon you?—It is very difficult for me to do that without knowing about how many cases I should have to deal with. I think there would have in any case to be one Civil Service clerk of high position, who would specially take charge of that branch, and he would want as many Second Division clerks as might be necessary according to the number of cases.

1807. It would require, of course, some addition to the staff, what addition you could not tell until you knew for what number of widows you had to administer the fund?—No, I should not know until then how many Second Division clerks would be necessary.

1808. Supposing again that a certain pension was given as of right by the Government to a widow, and that a fund was placed at the disposal of the Commissioners to supplement that pension in certain desirable cases, do you think the Chelsea Commissioners could undertake the work of discriminating between the different widows, as to what amount of supplementary pension should be given in any particular case from voluntary sources?—I think they would be quite able to do it, but I cannot, of course, say how long it would take them, and whether they could give the necessary time. I think they would be quite able to do so, because it is very much the kind of work they are already doing.

1809. It is the kind of work they are already doing every week?—Yes, it is only a question of giving the time to it.

1810. What I have exactly in my mind is that supposing the Government scheme should give, say, 5s. a week to the widow of each soldier who has fallen in this war, and 1s. 6d. to each child, and then that there should be available a certain fund, whether subscribed in past years or subscribed now or in future years, from which supplementary pensions could be drawn, do you think the Chelsea Commissioners have the machinery by which they could discriminate between the different widows, as to who should obtain

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[Continued.]

Mr. Hayes Fisher—continued.

obtain the extra grant or supplemental grant from that fund?—Yes, I think so.

1811. The discretion in the hands of the Chelsea Commissioners is already very large?—With regard to pensions?

1812. With regard to pensions?—Yes.

1813. And the discretion with regard to widows would not be larger than that?—I suppose not; of course, I do not know under what conditions widows are to be pensioned.

1814. For instance, the discretion now allowed to the Chelsea Commissioners amounts to any rate between 6*d.* and 1*s.* 6*d.* a day for partial incapacity, and any rate between 1*s.* 6*d.* and 2*s.* 6*d.* if wholly incapacitated; the discretion in granting a supplemental pension to a widow would hardly be more than that?—Oh, no; I misunderstood you. If you mean with regard to the amounts; certainly they could discriminate. I thought you meant something else, namely as to whether if a widow had got above a certain amount of income she was to be pensioned at all, because we have got 35 nurses who must be either daughters or widows of soldiers, employed at the Royal Hospital, and we frequently have vacancies, and we offered vacancies to widows after the Transvaal War, but we found that they did not care to take the appointments, because one of them who did take the appointment, and who had 5*s.* a week from the Royal Patriotic Fund, lost that 5*s.* a week on the ground that she had been appointed a nurse at 10*s.* 6*d.* a week, with a share of a room and partial board. Two nurses, who would otherwise have been very suitable, stated frankly that they thought they could get nearly as much privately, although more precariously, and that they would in that case be able to keep their 5*s.*, as what they were doing would not be known.

Chairman.

1815. Where did the 5*s.* come from?—From the Royal Patriotic Fund.

1816. Were they daughters?—No; they were Transvaal War widows. So that if investigation had to be made into the earnings of these widows it could be done, no doubt, but it would require a great deal of investigation, because the widows, as a rule, if they think they are going to lose their pension, do not care to let it be known what they are earning.

Mr. Hayes Fisher.

1817. I think I have one other question only to ask?—As to nurses, I might state that at the present moment we have one vacancy, and we shall have another vacancy in a month or two, and considering the large number of Transvaal War widows there are, if it were not for this matter of the 5*s.* being taken away, I believe I should have no difficulty in filling up the appointments.

1818. Just going back for one moment to the constitution of the Board. Would you say that the Board is a workable body; that it is answerable to Parliament, and that new blood is constantly coming on the Board?—That is so.

Earl of Dartmouth.

1819. I did not quite understand one of the more recent questions. You said that supposing the additional work was thrown upon Chelsea by

Earl of Dartmouth—continued.

the inquiry into the supplemental pensions from local sources, Chelsea would be able to award, but you did not contemplate that they would also distribute, I think?—No, Chelsea does not pay any pensions; the pensions are all paid from the War Office.

1820. Who actually makes the distribution of the Chelsea pensions?—The Secretary of State for War.

1821. On the advice of Chelsea?—Yes, a weekly return is sent from Chelsea as to their awards, and the War Office have a pension branch in which they deal with those awards, and then the payments are made through the various paymasters.

1822. Then, I suppose, supposing this additional work were thrown upon you, you would still trust very largely to the local committees for the information they would give you?—Yes.

1823. And your opinion, with which we all agree, I think, is that the stronger those local committees are and the more representative, the better opinion they can give?—No doubt.

1824. Would there be any objection from your point of view, if you had these strong local committees which are representative, to their undertaking the distribution of the pension?—I could not say, as I have had no experience with regard to the distribution; it is only with regard to the awards.

1825. And that is really all you have to deal with so far?—Yes.

1826. You advise what should be given, and then other authorities make the distribution?—That is so.

Mr. Hozier.

1827. Are there many of these veterans' associations throughout the country?—Yes, there are veterans' associations now almost throughout the country.

1828. Are there any in Scotland as well as in England?—I cannot say for certain, but I think so.

1829. But there are a good many anyhow throughout the country?—There are a great many throughout the country, and I am pretty sure there is one in Scotland.

Mr. Lambert.

1830. You have a system of commuting pensions at Chelsea?—Yes.

1831. What do you commute them for?—The rates are laid down in the Royal Warrant.

1832. Is it to set a man up in trade or what?—Yes, sometimes to set a man up in trade, and sometimes it is to buy a house; it must be proved that it is to his permanent advantage.

1833. And therefore you have to inquire very minutely into the whole circumstances of the case, I presume?—Yes.

1834. Do you find that you have been often mistaken and that in cases where you have permanently commuted a pension it has not been to the man's permanent advantage?—No, we have not found that yet, but then after all commutation in this way has not been going on for more than the last few years. Previously commutation was allowed to men who were leaving the country; they were allowed to commute the whole of their pensions, and certain cases with regard to those men have occurred in which they have

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[Continued.]

Mr. Lambert—continued.

have made away with the money which they have received, and have come back and asked for further help.

1835. For a further pension?—Yes; but that does not apply to these commutations of which I spoke.

1836. You have not had any such cases as that in the two years of your experience?—No.

1837. Could you tell me what is the limit of your pensions; what is the limit of a service pension?—The highest amount granted to a non-commissioned officer?

1838. I see there would be a scale, but I wanted it for the private really?—At present the highest service pension that a private soldier can get is 1s. 1d. for 21 years' service, and a half-penny a year for every year after that, and the limit is 1s. 6d.

Mr. Archdale.

1839. Is there any limit of service before a disability pension can be given or can a man get it at once if he is disabled?—If a man is disabled by the service he gets it at once, but if he is disabled in, but not by the service, he is not necessarily entitled to any pension unless he has got 18 years' service. As a matter of fact, he can be granted a temporary pension irrespective of his length of service, but unless a man has got a considerable amount of service and has been abroad four or five years it is not usual to grant any temporary pension if the disability is not due to service. Temporary pension can afterwards be renewed or made permanent at the discretion of the Commissioners.

1840. At present you have only got to do with pensions for men at Chelsea?—That is so.

1841. You have nothing to do with widows or orphans?—There are no widows or orphans dealt with at Chelsea.

Mr. Kearley.

1842. I understand you only award pensions; you do not pay them at Chelsea?—That is so.

1843. It is within your knowledge that they are paid through the various paymasters?—Yes.

1844. Is that a universal system as affecting Army pensions?—That is a universal system.

1845. You are probably aware that there are some payments being made, at all events affecting the Navy, through the post offices?—Yes; the paymasters pay through the Post Office, all pensions are paid through the Post Office by the paymasters.

1846. Practically on the same class of document as naval pensioners present at the Post Office?—I believe so; I believe the document is identical.

1847. It has to be signed by somebody who knows the pensioner?—Yes.

1848. There is no collecting together of pensioners at a given spot?—No, that has been done away with.

1849. What income have you at Chelsea from vested funds?—What income do we administer?

1850. I have a very poor knowledge of Chelsea, and I merely ask you for information: have you any invested funds or estate such as Greenwich has?—Yes, we have, but the income does not go to pensions; the pensions are paid out of the public vote.

1851. Yes, I understand that?—There is the

Mr. Kearley—continued.

Army prize money, which consists of about 76,000/.

1852. Per year?—No, those are the securities. Out of the Army Prize Fund 2,238/ was paid last year out of income.

1853. Where does that money come from? Is it the interest on investments?—If you will remember, at the time when prize money was granted a great many years elapsed before the money was actually distributed, and meanwhile a number of the claimants disappeared; this money accumulated, was invested in Consols, and the income is administered by the Royal Hospital; in fact, it goes to a great extent to keep up the grounds of the Royal Hospital.

1854. Have you any possessions such as Greenwich has? Greenwich has an income of about 600,000/ a year: have you any valuable possessions of that kind?—No; there are some small legacies, the Drury legacy, and the Stuart legacy, and the Ranelagh legacy.

1855. What is the acreage of Chelsea Hospital?—Sixty-two acres.

1856. And how are those 62 acres occupied?—They are occupied first of all with the buildings, and there is a large court called Burton Court leased at a nominal rent to the General Officer Commanding the Home District, to be used for sports and cricket by the troops in London.

1857. What is the acreage of that?—I cannot tell you exactly, but I should think about 15 acres.

1858. What is the nominal rent?—One shilling a year. Then there is a certain small strip which is kept as a garden for the officials of the Royal Hospital at Chelsea, just the frontage, where they live. Then there is a large plot called the "Ranelagh Gardens," which are open to the public, and also another plot of ground called "The Park," which is open to the public.

1859. What money do you spend on in-pensioners? What is the cost of the in-pensioners of Chelsea, and how many have you?—We have got about 550, and there are about 50 so-called staff, also pensioners, old men employed as non-commissioned officers and on fatigues.

1860. There are, roughly, about 600 in-pensioners altogether?—Yes.

1861. Will you give us any idea what that costs Chelsea? I ask you this because it may be within your knowledge that Greenwich used to have in-pensioners, and they abolished them at a considerable saving to the funds, and compensated the in-pensioners by some small outdoor pension?—I am sorry to say I cannot give you the details, but I daresay you will remember that there was a Committee on this question, of which Lord Belper was President in 1894, and the report of that Committee gives full information with regard to the cost; it was on that report that it was decided not to do away with the in-pension system, but I am sorry to say I cannot from memory give you the particulars.

1862. Do men in the Army allot to their wives when they are away in the same way that Navy men do?—I believe so.

1863. That does not come within your purview?—No, that stands with the War Office.

1864. Is

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[Continued.]

Viscount Hampden.

1864. Is not the working and cost of Chelsea Hospital laid before Parliament in a Parliamentary Paper? Is it an annual report to Parliament?—Yes, there is a report of the accounts, of which I have got a copy here, which is laid before Parliament.

1865. Your pension system is confined entirely to men in the ranks; you do not touch the Reservists?—Oh, yes; all the Reservists—every man who has not got a commission.

1866. Then it is 21 years in the ranks or in the Reserves?—Yes, if recalled to the colours, and also non-commissioned officers and warrant officers. I also explained with regard to the Colonies that the Australians, the Canadians, and all the various South African Corps have their pensions assessed at Chelsea.

1867. You did not understand my question a little while back, because I put "in the ranks" as distinguished from the men in the Reserve?—It includes men in the Reserve.

1868. In regard to your disability pensions, an Honourable Member put to you a question just now as to the conditions of your disability pensions, and I understand that for temporary disability pensions disease is reckoned; you give them for that?—Yes.

1869. Are a very great many temporary pensions granted to men who are suffering from disease?—Yes, there are a good many.

1870. Is it not the fact that an enormous percentage of the recruits in the Army now are invalided in the first year?—I have not heard that; very few come up to Chelsea under a year's service.

1871. If you restricted your pensions to other than those who had under a year's service, would not that reduce the pressure on your funds?—Those cases under a year's service are rejected; if a recruit breaks down really without having been abroad, and without any due cause, if he has had no special exposure, and has merely broken down under the ordinary duties of a soldier at home, his claim for pension is rejected.

Chairman.

1872. What I think the Committee want from you particularly is to learn whether the staff and machinery at Chelsea Hospital could be applied to the distribution of pensions to widows and orphans from funds received from voluntary sources?—You mean the allotting, not the distribution.

1873. I meant the distribution also, but we will call it allotting first; the term used was "awarding"?—Yes.

1874. As regards the Government pensions as distinguished from voluntary funds, the awarding would be automatic?—Yes.

1875. Have you considered how far you can take charge of voluntary awarding?—No, I cannot say that I have considered the matter except since it has been mentioned here with regard to the awarding of voluntary funds, but it seems to me the machinery would be exactly the same.

1876. I want you just to consider certain things, please. In the first place, you have to award funds that are voluntarily subscribed. That you understand?—It would be so.

1877. Those funds might vary very much in amount?—Yes.

Chairman—continued.

1878. And instead therefore of your knowing, as you would with your Chelsea pensions now, or with Government automatic pensions, the sum to be awarded, you would have to depend upon the voluntary contributions coming in or not?—Yes.

1879. Now, then, those funds, if voluntary, might be given to you under certain conditions; have you considered that?—No, I have not.

1880. Supposing Devonshire subscribes for pensions for widows and orphans, and says: "We will only let those pensions go to the widows and orphans of Devonshire soldiers." Could you have local distribution in Devonshire or local awarding?—We could award, that is to say, if we have any knowledge as to the amount that we may award in each case; I do not think there would be any difficulty in getting the information as to the recipient's circumstances.

1881. Where would your superiority exist for local inquiry over the local body?—We should have no superiority; we should make use of the local bodies.

1882. Supposing the local bodies said, "We wish to do this ourselves," what would Chelsea Hospital say?—They would say, "Very well, we can only do what we are asked to do; if we are asked to award, we can make the inquiries and award, but not otherwise."

1883. We want your practical knowledge. The point is that if the local bodies could be got to say, "We will trust Chelsea Hospital absolutely to award," I suppose then you think you could find the central machinery to make those enquiries so as to award?—Yes.

1884. What I am pointing out to you is this, that the enquiries very often would have to be made locally within a certain area?—Yes.

1885. Would there be any superiority in the central body, according to your judgment, making any inquiry compared to the local body making it within that very local area?—No, I do not think so; I think the only advantage would be that Devonshire would be treated just as Lancashire and the various counties all over the country would be treated, all alike; otherwise I do not think there would be the slightest advantage in dealing with these cases from a central body.

1886. I only put it to you that these local bodies might wish to have local application or to have conditions made regarding local requirements?—Quite so.

1887. Directly those existed, would you not have quite as much difficulty or perhaps more than the local body in carrying them out?—I think we should have just about the same.

1888. What would you have to do? First, as to the award, you would go into the condition or the recipient, which the Government would not, would you not? Would you go into such questions as whether there was private property?—I suppose we should be obliged to ask them.

1889. You contemplate having to do that. What machinery would you have for doing that—inquiry, locally I suppose?—Locally, and through the police—no other machinery.

1890. Supposing you wished to know, not only about private property, but what funds they were receiving, for instance Government Funds, or may be the "Daily Telegraph" Fund, you would also

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[Continued.]

Chairman—continued.

also have to make all such inquiry to arrive at the pecuniary condition of the recipient?—In the first instance the proposed recipient would be asked, and her statements would be tested.

1891. The answers, of course, in practice are found to want checking?—Yes.

1892. How would you carry out that checking?—We could only do it by writing to the local bodies and to the police; we could not check it in any other way.

1893. Chelsea Hospital for the first time would be taking upon itself a great burden it has never hitherto taken?—It would be additional to anything they have hitherto taken, but it would be more or less analogous to some of the work which they are in the habit of doing.

1894. You would contemplate a considerable addition to your staff for the purpose of these inquiries and awarding?—I think it would be very considerable.

1895. What do you say should pay that additional staff for administering voluntary funds?—Well, I have contemplated using Civil Servants; I have not contemplated working with others.

1896. Then there would have to be the consent of Government to increase the staff for that purpose?—Yes.

1897. In order to deal with these funds the Committee have to hope that voluntary contributions will continue; we have to appeal still to the public voluntarily to contribute. Can you tell the Committee whether if the public were told that the funds were to be administered by a body over which they had no control, and by servants who were not paid by them, the contributions would be made quite as generously and earnestly as if they themselves administered the funds?—That is, of course, a doubtful question.

1898. I thought you would say that?—I only spoke with regard to administering funds which

Chairman—continued.

were handed over to be administered, not with regard to collecting funds.

1899. I thought from what you said in reply to Mr. Hayes Fisher that it would be your impression that the public from a sense of gratitude for past favours would trust you implicitly for all purposes; but perhaps you will not go quite to that extent?—I could not go to that extent without asking the Commissioners their views on the matter.

1900. There is that question to be considered, whether the public would be perfectly satisfied that their voluntary funds should be administered by a Government Office; I suppose you admit that has to be considered?—It has to be considered; all I said was that if it is desired I believe it is quite possible that the Chelsea Board could award pensions to widows.

1901. There is a point of difficulty with regard to what Mr. Fisher did bring you to say, namely, how far you were dealing with voluntary funds so as to meet the wishes of those who contribute voluntarily; that is a point we want some little assistance upon?—Upon that point I am afraid I am not competent to offer an opinion.

Mr. Archdale.

1902. Are there branches of Chelsea Hospital in Dublin—the Military Schools, for instance?—The Military Schools are not under the Chelsea Hospital; there is the Royal Hospital at Kilmainham—that is administered separately on the same lines more or less as Chelsea Hospital, but not under Chelsea.

Mr. Kearley.

1903. You are aware that a fund called the Soldiers' Effects Fund comes through the War Office, and is handed over to the Patriotic Fund Commissioners to administer; could you administer a fund of that kind, or does that present a difficulty?—That is a fund for widows, orphans, and dependents; I do not suppose there would be any difficulty in administering it at Chelsea.

The Witness is directed to withdraw.

COLONEL J. S. YOUNG, again called in; and further Examined, as follows:

Chairman.

1904. You were good enough to say that some estimates of value of certain funds would be made out from the actuarial point of view; has your actuary been able to make up these estimates yet?—Not yet, my Lord. It is quite a new thing for the Institute of Actuaries, as they have no former data to go upon, and there are ten funds altogether, with varying conditions.

1905. The estimates are not complete yet?—No, but they have promised to hasten them as much as possible.

1906. I communicated with you as to whether the Patriotic Fund Commissioners wished to make further statements to us or to call further witnesses, and I understand from you that they wish you to appear again, but that no further witness is required?—That is so.

1907. In the first place you stated to me in your letter that you wished to produce the communication that was made to the Duke of Cam-

Chairman—continued.

bridge or to your Chairman from the First Lord of the Treasury?—Yes.

1908. Was it intended that that letter should be published?—I obtained the permission of Mr. Balfour for its being used.

1909. Do you wish to hand that letter in?—I do, and to put it on your notes if I may; it is in reply to the letter from His Royal Highness, which is on your notes already.

1910. This is the letter from the First Lord of the Treasury to His Royal Highness the Duke of Cambridge: "10, Downing Street, S.W., February 10th, 1901. Sir,—I beg to thank your Royal Highness on behalf of the Government for your letter of February 8th on the subject of the Patriotic Fund. It is more than probable, as your Royal Highness thinks, that the new departure in respect to the widows of soldiers killed in action will cause a widespread demand in and out of Parliament for some corresponding change in

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[Continued.]

Chairman—continued.

in the machinery by which private charity is distributed to the same class, and this even among some of those who think, as I do, that the country owes a great debt of gratitude to those who have administered the Patriotic Fund. Probably after what your Royal Highness has been good enough to say, the best course may be to appoint a Parliamentary Committee to consider the subject. I will, therefore, take an early opportunity of mentioning the idea to my colleagues, unless I hear that your Royal Highness sees some objection to it. I have the honour to be, Sir, your Royal Highness's obedient servant, (signed) Arthur James Balfour. Field Marshal His Royal Highness the Duke of Cambridge, K.G." There are some other matters, I believe, that you wish to mention to the Committee?—The Commissioners desired me to place before you their annual report, which they have just agreed to for presentation to His Majesty the King, dealing with the year 1900, as it brings up their position to the latest date, and moreover points to what they consider is an epoch in their administration, that is that the year 1900 found them for the first time freed entirely of the statutory and legal fetters which hampered their administration before that date. Consequently they think it right that you should have the latest information placed before you in the shape of this report.

1911. Will you hand it in, please?—I have one for each member of the Committee. (*A copy of the Report is handed to each member of the Committee.*)

1912. There are one or two other matters I think you wish to mention, are there not?—I was desired to direct your attention to what the Commissioners feel is a very important point in connection with your Inquiry—that is to say, your inquiry goes to what are the best means of supplementing the State pensions. State pensions are, however, as your Lordship is aware, limited entirely to widows and orphans of soldiers and sailors losing their lives in or by war service, and what the Commissioners feel is worthy of your consideration is that there will be a large class of deserving widows of soldiers and sailors who do not die in or by war service, and the policy of the Commissioners, dictated very much by the policy of the Government in 1881, was to have a special care for that class of widows. Consequently they have placed this paragraph in their report, which you will find on page 8: "The year 1900, however, found us freed from the statutory and legal fetters from which we have long desired to be freed in dealing with many of the funds under our administration. The delay has not been altogether disadvantageous, inasmuch as we were in 1900 recipients to an unprecedented extent of applications for assistance for sailors' and soldiers' widows and orphans whose claims to assistance were based upon records of prior honourable service rendered by their husbands and fathers not always even in war. We were, therefore, with freer powers, at no lack for suitable recipients from the general funds at our disposal; and we have only to regret that we have not far larger funds available to meet cases which do not usually attract the spontaneous benevolence of the public." The Commissioners feel that that is a very important matter in connection with the inquiry that you

(0.21.)

Chairman—continued.

are undertaking just now, because, of course, the great bulk of the funds which are included in those that I placed before your Lordship before, are dealt with under that policy to the extent of about 13,000*l.* a year just now, and the demands from that class are increasing every day.

1913. I do not quite understand. Is it your view that that money, which I perfectly appreciate is freed, should in the first instance be applied to widows and orphans of men falling in war or not? Taking the class you have referred to, the men dying in their beds of old age leaving a widow, would you place their widows in the same position, or would you give precedence to any class of widow?—What the Commissioners feel is that in time of war you can always rely upon public subscriptions supplementing the State pension, but for those cases whose husbands and fathers do not die in or by war service it is very difficult to get public contributions, and, therefore, they feel that it may be worthy of your consideration to look at those funds, which I gave you last time as available, as perhaps more and better applicable to these cases that do not attract public contributions.

1914. Does it not come to this, that your Commissioners recommend us to consider whether the funds in their hands, available to general widows, should not be appropriated entirely to war widows, but should be kept for the purpose of general widows as well as war widows?—At any rate that that should be borne in mind, but not by any means as dictating that they should not be applied to war widows. Last time I was asked to give in a statement of the widows and orphans of Colonial Corps, and I have had that very carefully made up in connection with the lists of widows and orphans that we have been furnishing to the War Office to enable them to bring out their State pensions; it is up to date, and shows that in the various Colonies and the Colonial Forces there are 130 widows, 111 children, and 16 other dependents who have sent in claims for assistance from our funds.

1915. They would not represent the whole of the widows, of course, for a moment?—Yes, these are the whole of the widows up to date.

1916. Who have sent in claims?—Those are notified to us in the ordinary official way, and having been sent in, we deal with them as having claims on the fund.

1917. May the Committee take it that those 130 probably represent all the Colonial widows?—Up to date that is so.

Earl of Dartmouth.

1918. Will you give the figures again, please?—I will hand in the paper to get it on the Notes if you like. (*The statement is handed in.*)

Mr. Kearley.

1919. Does that exclude any Colony?—No.

1920. Is there no Colony making any separate provision for its widows?—As I said on the last occasion, so far as voluntary effort was concerned, Canada desired to make its own provision. Their widows are included here.

Mr. Hayes Fisher.

1921. You said that you expected Canada; I see in this return you have put down nine widows not.

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[Continued.]

Mr. Hayes Fisher—continued.

not yet on allowance under the heading of Canada?—Simply as registered applications already received.

Mr. Kearley.

1922. We should have it clear as to whether Canada is coming in or is going to provide for its own widows?—It is to provide for its own widows. I only wanted to give you information which I thought might be of interest to you.

Chairman.

1923. With the exception of Canada, you say the widows will have to be dealt with?—Yes.

1924. Have you learned that directly from the Colonies, other than Canada, that they wish us to provide for them?—Oh, yes; we have been in communication with almost every Colony mentioned here with a view to their participating in the Central Transvaal War Fund administered by the Commissioners.

1925. Will you tell us what steps you have taken?—You have allotted money to the Colonial widows, or have you paid it?—We have paid to some only in Natal and Cape Colony.

1926. In respect to those, what machinery have you used for enquiry?—We have local agents in Natal and Cape Colony, and they, in conjunction with local committees that have been established there, examine into each case on the same lines as we examine at home here.

1927. Did the Colonies find those agents for you?—The Colonies contributed very generously indeed to the fund which is handed over to the Patriotic Fund Commissioners.

1928. We are on the machinery now. Did they find the agents for you?—Yes, they have undertaken, for instance, in Melbourne to relieve all cases until the end of the war.

1929. You said something which I think struck the Committee: The Colonies have subscribed to the fund which is being administered by the Patriotic Fund Commissioners?—Very largely.

1930. Is that for Transvaal purposes, or in peace times?—For Transvaal purposes.

1931. Then you are spending their money?—Quite so; they also have their claims.

1932. I think it is due to the Colonies that that should be brought out?—Exactly.

1933. How much have they subscribed, and how much have you paid?—At present we have paid little or nothing in relation to what they have subscribed.

1934. How much have they subscribed?—The Lord Mayor gave me this information—that for widows and orphans the various Colonies have subscribed 50,763*l*.

1935. That is more than will be paid to them probably?—That remains to be seen.

1936. However, that is a very substantial sum?—Very.

1937. What is the advantage to the Colonies sending it here and you sending it back again compared to local administration?—This, because it is in all their communications, and it is at the bottom of the whole of their action, that it testified to the unity of patriotism.

1938. Imperial unity?—Undoubtedly.

1939. That is the feeling?—That is the feeling; it is in every communication.

Chairman—continued.

1940. I think there has been a little misunderstanding about this when we have been asking in Parliament and elsewhere whether the Colonial widows were to be supported or not; substantially these Colonies are willing to support their widows by sending these large sums here?—Yes, I should say that may be taken. At any rate the Patriotic Fund Commissioners recognise the claims of the Colonies particularly.

1941. I see that Mr. Hayes Fisher asked you on a previous occasion whether or not you had obtained any contributions from those Colonies, and you answered, "We know that the Lord Mayor has received very large contributions from the Colonies, and that makes an additional obligation." Really all you have said now is a little more in detail to the same effect?—Yes.

1942. How much has been paid to Colonial widows?—At the present moment we are paying 17 widows in Natal and 31 widows in the Cape Colony.

Viscount Hampden.

1943. What happens to the others of the 130 you mentioned?—By arrangement made with the various Colonies they are relieving the cases pending the end of the war, and they have consented to record the cases on the lines that we have adopted with reference to the great bulk of the widows, and to report their recommendations in each case.

Chairman.

1944. Relieving with what money—with the money here?—They have retained a certain amount of their funds locally for temporary relief, but we shall deal with them for permanent relief.

1945. By sending it back again?—We will do that.

Mr. Hayes Fisher.

1946. What allowance are you giving the Natal widows?—10*s*. a week.

1947. What allowance are you giving the children in Natal?—2*s*. 6*d*. a week.

1948. What allowance are you giving to the 31 Cape Colony widows?—Ranging from 5*s*. to 6*s*. 6*d*.

1949. Why are you giving so very much less to the Cape Colony widows than you are giving to the Natal widows?—It was owing very much to local circumstances at the commencement of the war; there were local Committees working and relieving there, and these are really practically part of other relief funds being dealt with locally, whereas I arranged personally with Natal that it should all be given from the one source.

1950. There is no reason for the difference that you know of in the rate of living in the two Colonies; I imagine the rate of living is as high in Cape Colony as in Natal?—I should say not quite the same, but it is high; I said so last time; and there are greater differences still; for instance, we have some in the Orange Free Colony, where the expenses are very great just now.

1951. In the case of Natal, I see you are giving an allowance of 2*s*. 6*d*. for each child to 20 children, while in the case of Cape Colony you are only giving 1*s*. 6*d*. to 44 children. Why is that?—On the lines I have just said just now, that there

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[Continued.]

Mr. Hayes Fisher—continued.

there was local relief. These are only provisional allowances, and we shall alter them all.

1952. And they can all be reviewed?—They will be reviewed.

1953. The Patriotic Fund Commissioners have not placed their fund under any pledge to continue these allowances at these particular rates?—Certainly not; on the contrary they have rather pledged themselves to revise when there are conditions which will enable us to revise them permanently.

1954. So that whether the present body administered those funds or any other body, they would have their hands free to revise these allowances?—Perfectly.

Mr. Kearley.

1955. Have these Colonies in hand moneys other than the 50,000*l.* that the Lord Mayor reported to you he has received? I understand you to say that the Colonies at the present moment are temporarily paying pensions under arrangement with you, and I want to know where the money comes from out of which those pensions are paid if it is not part of the money the Lord Mayor has?—It is not part of the money that the Lord Mayor has, and it arose in this way: Of course the distance between London and Melbourne alone would have made vexatious delays in dealing with any cases, and when the Lord Mayor referred the matter to the Patriotic Fund Commissioners, they suggested as the common sense procedure that the local funds should retain a portion of the subscriptions for the purpose of relief for as long as they thought fit; in every case it amounted to practically till the end of the war, and they have these funds from exactly the same source, but the 50,000*l.* I have told you of has absolutely been in the hands of the Lord Mayor for some time, and is practically in our hands now.

1956. Now, I understand. What the Committee would like to know, I am sure, is how much money these Colonies have subscribed for the benefit of their widows, part of which has been sent here, and part retained? What is the total amount?—I could not give you that, because they have not given that information to us.

Chairman.

1957. I understand all you know is that the Lord Mayor has told you that he has had 50,000*l.* from the Colonies?—That is so.

1958. And you know no more?—No more.

1959. How can we find out from the Colonies the amount they have in hand?—You could only by a length of time get it back by letter from each place.

1960. Would the Agents-General here know?—No.

Viscount Hampden.

1961. They would get it for you?—They might get it by cable, but that would only be in a general way: I do not think it would answer what Mr. Kearley is driving at, but if I may be allowed, I think I could answer it in this way: by saying that the communications that have already passed between the Patriotic Fund Commissioners and the Colonies have invited them to send in applications whenever they need the money from the central fund.

(0.21.)

Earl of Dartmouth.

1962. I take it that if the funds in the Colonies were likely to run out, you would get early information that they would require assistance from the Patriotic Fund direct?—Undoubtedly; in fact, we are prepared to do it.

Chairman.

1963. Notwithstanding that communication, do the 130 represent all the widows that have become widows through the action of the war?—That is so.

1964. Have they been sending in applications to you for payments to these 130 widows?—Oh, no, they have not; as I tried to explain when you touched that point before, there are included here all cases we get from any source, but a great deal of it is from the official source of the War Office, and also from the widows themselves in some cases; it is between those two sources.

Mr. Kearley.

1965. The Patriotic Fund Commissioners have in their hands a sum of money that is specially earmarked for widows other than British widows?—Oh, no.

1966. They have 50,000*l.* of money belonging to the Colonies?—No, not at all; on the contrary, the Colonies have contributed that without any earmarking of any kind at all; what they have done is simply to send these as Colonial contributions to the National Fund at the Mansion House, and they have said that this sum of 50,000*l.* shall be applied to the relief of widows and orphans, not Colonial widows and orphans.

Chairman.

1967. They have come into hotch-pot; they say: "We have given to the General Fund, and the General Fund will give to us"?—Yes.

Mr. Kearley.

1968. And there is no fund in this country earmarked for the Colonies?—None, but the Commissioners have recognised the obligation, as I put on the notes last time.

Earl of Dartmouth.

1969. About the number you are actually providing for, I see you have on allowance 49 out of 130; does that represent what the Patriotic Fund is doing?—Practically it is limited to the Cape Colony and Natal, where we have permanent arrangements for prompt relief of widows and who are brought on to regular payments.

Chairman.

1970. What is the next subject you wish to mention to us?—Well, I only desire to say that I am at the disposal of the Committee if, after reading this report, they have any questions connected with the report to ask.

Mr. Kearley.

1971. You mention in this report that you now find yourselves free from all statutory and legal fetters which will enable you to give pensions to widows of those who have not died from war service?—That is so.

1972. Now I ask you one question: Do the Patriotic Fund Commissioners agree that when a fund

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Mr. Kearley—continued.

a fund is subscribed for a particular set of sufferers that fund shall be entirely and completely exhausted on behalf of those for whom it has been subscribed?—In principle.

1973. That being so, how do you contemplate that you will ever have widows to deal with that are not the widows of those killed in a particular campaign or what not?—Because they come to us in overwhelming numbers.

1974. If you admit that when a fund is subscribed for a particular set of sufferers it should be exhausted in their behalf, what right have you to pension widows that are not war widows, and what claim have they to pensions?—We have got the right of sympathy with poverty to pension anybody if we have means to pension them with.

1975. I want to know, if you administer these funds fully on behalf of those for whom they were subscribed how you are going to have available funds at some future time for the benefit of widows who are not widows through war service and what not?—Of course, as you know, we have had the Soldiers' Effects Fund handed over for that class of widow. That is one fund. You also know that the Committee of which you were a member in 1895-96, threshed out this very question you are asking me just now, and that it was brought out that surpluses are obtained not infrequently by good administration—that is to say, by investment in excellent securities—and, as I showed at a previous sitting here, by such an Act as Mr. Goschen's Act connected with the National Debt which sent up the value of certain securities, and that was no part of the original *corpus* of the fund, and the Committee of 1895-96 laid down the line that any such surpluses were available for general purposes.

Chairman.

1976. You call that surplus?—Yes.

1977. Mr. Kearley is putting it to you that wherever that money came from it ought to have been devoted to the original object?—Perfectly.

1978. What do you say to Mr. Kearley when he says that to you?—The answer I give is that which the Committee of 1895-96 gave, that where a surplus after adequately relieving the people for whom the money is subscribed is obtained it may be applied to general purposes, such as for these widows for whom the public do not subscribe money.

Mr. Kearley.

1979. Where did the Committee say that?—I have not the report here, but I will put my finger on it directly.

Viscount Hampden.

1980. It must come to be a question of what is adequate relief?—That is it exactly.

Chairman.

1981. Is not this an example: Take the money subscribed for Crimean widows; you have been in the habit of giving a Crimean widow so much a week, and we will call it x ; your surpluses come in and you have got funds to enable you not only to give x but $x + y$; you are asked to devote the $+ y$ to objects other than the Crimean widows, and Mr. Kearley's view is that the

Chairman—continued.

Crimean widows should have both the x and the $+ y$: that is the point?—That is the point. I have now got before me the pronouncement by the Committee of 1895-96 if the Committee wish to hear it: "Your Committee desire to place on record their opinion, as to Special Funds" (the class of funds Mr. Kearley is referring to), "(a) That it is the intention of the donors to a fund for a special calamity that the money raised should be expended on the sufferers." (With that the Patriotic Fund Commissioners agree.) "(b) That in fixing the rates of relief to widows and orphans the Commissioners should not necessarily restrict grants to the sum which the deceased relative might have it in his power to contribute to those dependent on him, but should consider what sum would secure to applicants a moderate maintenance according to their class of life" (with that the Commissioners agree); "and (c) That, subject to the above any balance due to prudent actuarial calculation or skilful investment should be made ultimately applicable to the general purposes of the funds administered by the Patriotic Commissioners." Now that is as clear a pronouncement on the subject as could possibly be made.

1982. You think that solves the meaning of the y ?—I think absolutely, because Mr. Kearley sticks to the y .

Mr. Lambert.

1983. In your report at page 8, the paragraph you read just now, you say: "The delay has not been altogether disadvantageous, inasmuch as we were in 1900 recipients to an unprecedented extent of applications for assistance for sailors' and soldiers' widows and orphans whose claims to assistance were based upon records of prior honourable service rendered by their husbands and fathers not always even in war." What would you call the "prior honourable service" here referred to?—Many a man never sees any war service, but he serves in bad climates, in India, in the West Indies, in Hong Kong, and these debilitate a man; but it is just as much public service frequently as war service.

1984. Why did you get in 1900 these recipients of a class not due to war to an unprecedented extent?—I am very glad you asked me that question, because it is absolutely hanging on to what the Commissioners desire to bring before you as a general question, and that is that there is a jealousy amongst the widows themselves with regard to the pensions that go to those who lose their husbands in war; they say, "Our husbands gave excellent service. Why should not we get a pension?" and when they live an honourable life, if they are in poverty, why should not they get a pension?

Chairman.

1985. Did you not get these applications in larger numbers in consequence of being freed from the application of your funds?—No, it was entirely, and it always will be so at times of war, they recrudescence always in times of war.

1986. "Do unto us as you do unto others"?—Yes.

Mr. Lambert.

1987. My point was that it is said here that they received applications "to an unprecedented extent,"

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Colonel YOUNG.

[Continued.]

Mr. Lambert—continued.

extent," but of course the service in Hong Kong and these variable and unhealthy climates has been going on since Hong Kong has been inhabited by British troops; therefore, why did you receive last year applications to an unprecedented extent when these conditions have been going on for years?—I will tell you why—because this war has brought into line the reservist; the reservist has permeated the whole country—Ireland, Scotland, and the whole of the United Kingdom; he has come greatly from the industrial centres, and that has brought from the industrial centres an immense number of applications from widows who know these people socially, and they say, "Why should not we get

Mr. Lambert—continued.

a pension although our husbands did not die in war service?" It is mainly because of the reserve being brought in that I attribute the action and reaction which has brought about this recrudescence to a phenomenal extent in 1900.

1988. Are you giving pensions to these widows and orphans who have been stimulated to apply by other people receiving pensions?—Certainly.

1989. And they would not have received those pensions had they not been so stimulated to apply, I presume?—They might have received them if we had been freed earlier; but it simply happened as a coincidence, which the Commissioners emphasise, that the year 1900 saw us freed from these statutory and legal fetters.

The Witness is directed to withdraw.

COLONEL JAMES GILDEA, C.V.O., C.B., is called in; and Examined, as follows:

Chairman.

1990. What is your position with reference to the Soldiers and Sailors' Families Association?—I am Chairman of the Executive Committee, Treasurer, and one of the Trustees, and my co-trustees are the Duke of Cornwall and York (since the death of the Duke of Saxe-Coburg and Gotha), the Duke of Connaught, and the Earl of Derby.

1991. Tell me first the immediate objects of your Association, please?—The object for which it was formed was for the purpose of temporarily aiding the wives and families and dependent relatives of men of all branches of the land and sea forces of the United Kingdom, without distinction of sect or creed, or whether the women were on or not on the strength.

1992. I believe it is your wish to read a statement of facts in connection with your association?—If your Lordship and the Committee wish it.

1993. The Committee would probably wish you to take that course, but you must keep a little to the objects our inquiry has in view. We are dealing principally with the pensions to widows and orphans, and we are enquiring into the best means of administering those pensions in connection with funds voluntarily subscribed. If you would be good enough, read your statement, but please do not wander very far from that subject?—Would your Lordship like to know the constitution of the association?

1994. If you will state it briefly, please?—The constitution consists of a federation of affiliated or branch committees, whose general principle of action is determined by a council, and an executive committee. The council consists of some 30 ladies and gentlemen, whose appointments are subject to the approval of Her Majesty, the President, and there are certain ex-officio members, such as the Secretary of State for War, two Lords Commissioners of the Admiralty, the Commander-in-Chief, the Adjutant-General and the Quartermaster-General.

1995. How are you constituted? When you say "ex-officio members," from what source does your constitution proceed?—The original council was self-elected, with Her Majesty Queen

Chairman—continued.

Alexandra, then Princess of Wales, as President, and the rules and bye-laws were drawn up and approved by that council.

1996. Now, will you proceed?—With regard to the organisation, each county is a unit in itself, governed by the rules and bye-laws of the Association, with a President, Vice-President, Treasurer, and Honorary Secretary for the county, similar officers and a working committee for each Petty Sessional Division, with a representative for each parish in each Petty Sessional Division.

1997. As to the constitution, how do those units come into existence? Does each locality determine its own area, or are those areas laid out by the central body in London?—Those areas were laid out by the central body in London—that each county should be a unit with its Petty Sessional Divisions, and with representatives of parishes in them.

1998. Does each county sub-divide itself?—Each county is subdivided into petty sessional divisions.

1999. From the central body?—Yes. These are maps we issue which show the petty sessional divisions of each county. (*Handing in a map.*)

2000. When was this subdivision made?—In 1885 when the association was founded.

2001. In peace time?—Yes, in peace time.

2002. This map is an example given of Gloucester?—Yes, we have maps of every county in England and throughout the kingdom.

2003. Are those all the petty sessional divisions marked in this map?—Yes.

2004. Tewkesbury and so on are all petty sessional divisions? Will you proceed?—We have also branches in India and the Colonies, and for the working of the association we have some 12,000 ladies and gentlemen, consisting of county gentlemen, retired officers, admirals, and generals, members of Parliament, and working men.

2005. Do they form the committees?—Yes.

2006. 12,000 in number?—About 12,000.

2007. And about how many counties would they represent?—Every county in England, Scotland,

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[Continued.]

Chairman—continued.

Scotland, and Ireland; we have representatives throughout the whole kingdom.

2008. Did that apparently large numerical organisation exist in peace times, or has it come into existence since the war?—No, it existed to the extent of about 6,000 representatives up to the time of the breaking out of this war, and it has increased to about double the number of representatives during the war. I may say that decentralisation is the keynote of the whole organisation, that is, that funds raised locally are administered locally under local supervision.

2009. And that is very important by way of analogy to us. You say all funds subscribed locally are administered locally?—Certainly, and relief given under personal supervision.

2010. When you say administered locally, would there be any communication between your local body and your central body of your association for the purpose of administering?—Yes; the local bodies take their instructions, if I may say so, by circulars that we issue from our central body as to scale of relief and so forth.

2011. The central body is dealing, as it were, with its own children; all your committees are within your association?—Yes. I may say that self help governs all monetary grants in time of peace; in time of war of course, as during this war, we have had to put our beneficiaries on a special scale.

2012. In time of peace, where did your funds come from?—In time of peace our funds have been accumulating since we commenced in 1885, when we started with 5,000*l.*

2013. From what source have the accumulations come?—Chiefly from annual subscriptions.

2014. Locally?—Locally.

2015. And since the war?—I will come to that presently; it is a very large figure.

2016. Please proceed with your statement?—Each county in time of peace is expected to be self-supporting, supplemented in the case of the poorer counties and naval and military stations by grants which we make from the central fund. I may say that the invested capital of the association is only 23,000*l.*

2017. Was or is?—Is.

2018. Has the 23,000*l.* been a higher sum?—23,600*l.* purchase value.

2019. That is the sum now?—That is invested.

2020. So I understand, but has it ever been more?—No. The work of the association is entirely voluntary, with the exception of the amount spent in advertising, circulars, printing, etc., throughout the country, and the expenses of the London office. We have only got one office, for which there are outgoings so far as the secretary and so on are concerned. As to the expense of the London office, I think it may be interesting for you to know what it is, and I hope the Committee will consider it is done at a minimum cost. For the first ten years there was no secretary and no office, during which time there were no expenses under that head. Both the secretary and the office were established by a resolution passed at a special meeting of the association in 1895.

2021. If there was no secretary and no office, did you manage it at your private house?—Yes. From that time, in 1895, to the outbreak of the present war, the staff consisted of the secretary

Chairman—continued.

and myself only. During the war it has been increased by one typewriter at 1*l.* 10*s.* per week, a retired officer as clerk at 2*l.* a week, and when overpressed with work on account of the compilation of this annual report which we issue, another lady assistant was employed at 1*l.* 10*s.* a week, so that our staff during the war has been three permanent officials and one temporary.

2022. In addition to the voluntary aid?—Yes, in addition to all the voluntary aid; and the rent of our office is only 70*l.* per annum. The objects of the association, as I have just stated, are confined to temporary help, with the exception of pensions, to widows and orphans and dependent relatives of the "Serpent" and the "Edgar" boat fund. I have brought down some abridged reports which this refers to if any of the Committee would like to see them.

2023. Not at present. Please proceed?—The "Serpent" fund was raised for the widows and dependent relatives of officers and men of Her Majesty's ship "Serpent," lost on the coast of Spain on the 10th November, 1890. The sum subscribed amounted to 13,000*l.* Immediate relief, temporary pensions and gratuities were granted to the amount of 2,200*l.* The balance of 10,800*l.* was invested in the English and Scottish Law Life Assurance Company to produce an endowment of 17,330*l.* spreading over 16 years—that is, the 10,800*l.* produced, spreading over 16 years, 17,330*l.*

2024. That was to buy annuities with?—That was interest and compound interest; they guaranteed to give us 17,330*l.* for the investment of 10,800*l.* There were five officers' widows with seven children, one officer's mother, and two other dependents. There were 61 widows of men, 76 children, 69 mothers, and 26 other dependents. Pensions were granted for eight years to widows of officers and men whether they remarried or not. Endowments of 20*l.* with compound interest were laid aside for children on their attaining the age of 18 years. Pensions to dependent relatives were for five years. The eight years having expired in 1899, and following the recommendations of the Select Committee of the House of Commons in 1895-6, the following correspondence took place with the Patriotic Fund Commissioners. This is important because I am rather leading up to the question that these widows are being stranded, or will be shortly stranded, and that I hope that some funds will be forthcoming in the future to continue their pensions.

2025. Cannot you state your reasons for that without reading the correspondence with respect to this particular fund?—Yes, I can give you the recommendations of the Committee of the House of Commons.

2026. Do that, please?—These are the recommendations of the Committee of the House of Commons (*handing in the same*).

2027. Will you proceed; do not read the correspondence?—Shall I read the recommendations of the Committee of the House of Commons.

2028. Yes. Please read them?—"Your Committee are of opinion that while care be taken that the names of generous donors of special contributions are preserved in the annual reports, the funds or their surpluses should be massed and administered together under the Supplementary Commission on the following lines."

Then

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[Continued.]

Chairman—continued.

Then I will take paragraph (b) which refers to this: "Those subscribed for sufferers by naval disasters to be added to the Royal Naval Relief Fund. The amounts outstanding of the funds subscribed for special naval disasters, other than the 'Victoria' Fund, viz., the 'Captain,' 'Eurydice,' and 'Atalanta' Funds, would be massed with the Royal Naval Relief Fund, and applied to naval purposes, the beneficiaries receiving similarity of treatment"—and this is the point—"and as it appears from the evidence that the 'Serpent' Fund will be nearly exhausted in the year 1898, and various widows and others thereby deprived of the assistance they have received since the loss of those on whom they were dependent, the Patriotic Commissioners should make suggestions to Colonel Gildea with a view to providing for these poor people out of the Royal Naval Relief Fund."

2029. What happened in 1898?—In 1898 I wrote to the Patriotic Commissioners: "Following out the recommendation of the Select Committee of the House of Commons, dated 12th August, 1896, I am requested by my co-trustees of the above fund to ask what, if any, suggestions the Patriotic Commissioners have to make for a further provision for the widows and others hitherto dependent on this fund, out of amounts outstanding of the funds subscribed for special naval disasters in their hands." I received a very prompt reply, but it was not a very long one; it was to this effect: "I have to acknowledge the receipt of your letter of 12th inst., relating to 'Serpent' Fund." That answer not being quite satisfactory I wrote to Lord Nelson, the Chairman of the Commission, and asked him if we could have some more information, and I received the following letter on the 24th April: "I duly laid your letter of the 12th instant relating to the 'Serpent' Fund before the Royal Commissioners of the Patriotic Fund, and in reply I am to state that their decision upon the recommendation of the Select Committee of the House of Commons referred to in your letter, and as appearing at page xiii. of the report of the Select Committee, dated 12th August, 1896, was conveyed to the Government in a letter to the Secretary of State for War, dated 13th November, 1896, of which the following is an extract: 'The Commissioners cannot, however, accept the recommendation for the beneficiaries on the "Serpent" Fund being provided for out of the Royal Naval Relief Fund, owing to the exhaustion of the "Serpent" Fund resulting from the adoption of a scheme of relief at variance with all sound methods hitherto adopted in funds raised in connection with similar disasters, inasmuch as there are widows and others, sufferers by previous disasters, who would in any case have prior claims to relief; and the Royal Naval Relief Fund is insignificant in amount, being only about 8,000.'" No help from this source being available the trustees met and decided to exclude the 31 widows who had married again, and to grant the same rate of pensions to 27 widows of officers and men for a further period of five years. That will end in 1904.

Mr. Kearley.

2030. Where did you get the money from?—It was accumulated money; there was always

Mr. Kearley—continued.

supposed to be some money left, and by the death of widows and so on, it accumulated and enabled us to give a limited number of pensions for a further period.

2031. The money you paid over to the English and Scottish Law Life Insurance Company had disappeared altogether?—It will disappear in 1904.

2032. It did disappear in 1898?—No, it did not; the small accumulated balance just referred to was still left.

2033. I thought your bargain was an eight years' bargain?—Yes, and to continue if there was any surplus. Then there was another similar fund to that—the "Edgar Boat Fund" I will not go into particulars about that; it was raised in a similar way.

Chairman.

2034. Please state your point shortly; do you wish to state in relation to the second fund you are mentioning the same as you have said as to the "Serpent" Fund, that these widows will be left without means of relief in a short time?—Yes.

Mr. Hayes Fisher.

2035. And your contention is that they should form one of the first and earliest charges on the funds at the disposal of the Patriotic Commissioners?—Certainly.

Mr. Kearley.

2036. Your point is that here are surpluses available from Naval Funds that can be applied to these cases?—Certainly. The payments of the pensions of these two funds are made quarterly in advance by the local representatives of the Association, and I may say the expenses of these two funds (they are administered, of course, free of all expense, except postage and cost of cheques), is as follows:—The cost of the administration of the "Serpent Fund" in 1899 was 17. 6s., and last year it was 6s. Of the "Edgar Boat Fund" the cost of administration in 1899 was 17. 10s. 6d., and last year 8s. 6d. I only mention these facts because I hear that a good deal was said about the expense of administration of these different funds. Then we have two or three other branches; we have an Officers' Branch, and we also have an Officers Branch of the present war, which is commonly called "Lady Lansdowne's Fund," which goes through our office; and the Homes for Officers' Widows and Daughters, and a Nursing Branch, and a Clothing Branch. I might say one word, if you would allow me, about the audit, because there seems to be rather an impression out of doors that our accounts are not audited. The General Fund and all other funds passing through the Head Office have since the foundation of the Association been each year audited by a chartered accountant. In large towns and branches the accounts in most cases have been audited by a professional auditor, in smaller branches by not less than two members of the local committee. That brings us down, my Lord, to the present Transvaal War. Shall I give you a few particulars? I think I could give you some interesting figures as to what has been done. Shall I describe the opening of the Fund?

2037. Just

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Colonel GILDEA, C.V.O., C.B.

[Continued.]

Chairman.

2037. Just commence, and we will see?—We made a special appeal on the 13th October, not for a special Transvaal War Fund, but for additional funds to help us to meet the extra demands which would come on the Association. The Lord Mayor a week later issued what we call his "ear-marked" appeal for four objects, one of which was for "Wives and Families."

2038. Did that include pensions to the widows and the children of killed men?—No, we have nothing to do with that.

2039. But the four objects?—The four objects were, the "Widows and Orphans" (the Patriotic Fund), the "Wives and Families" (the Soldiers and Sailors' Families Association), and so on.

2040. "Widows and Orphans" was one of the subjects of the Lord Mayor's appeal?—Ours was one of the four objects.

2041. I know yours was, but the Widows and Orphans were one of the subjects of the Lord Mayor's appeal?—Certainly. We issued a circular at the same time as to special scale of relief, the ruling principle of which was that all cases should be treated locally on their own merits; that sobriety and good conduct should govern all assistance; that work or employment (except for those in delicate health, or with young children) should be found, and that monetary grants should be so regulated as to place the wife and family in such a position as that there should be no feeling of having to struggle. To arrive at this it was calculated that if we made up the income of the family to two-thirds of what it was when the bread-winner was at home that was sufficient; and I may say that that scale has been almost universally adopted throughout the country by all these independent funds. We also included in our relief the wives and families of Colonial troops residing in England, and we have also sent 5,000*l.* during last year to our branches in Natal and the Cape, for the relief of the wives and families there. We continued our relief to wives becoming widows till the receipt of the first payment of the pension, until by the action of the Patriotic Fund, the Imperial War Fund, and the "Daily Telegraph" Fund, who were also sending money, we stopped sending further relief. Now I will come to the result of the appeal by the Association from the commencement of the war—that is from the issue of our appeal on the 13th October, 1899 to 31st December last. In 1899 we received at our office here 45,783*l.*

2042. From what source?—From public subscription in answer to our appeal.

2043. Direct to you?—Direct.

2044. Not to the Lord Mayor?—No, direct. We received during the same year, in 1899, from the Mansion House (earmarked for us) 50,000*l.*, and our branches throughout the country received (and this is a very remarkable figure because it shows our preparedness and the confidence of local organisation) during those ten weeks from the 13th October to the 31st December 230,326*l.*

2045. Locally subscribed?—Locally subscribed. The total of those figures for the year, that is for ten weeks—was 326,109*l.*

2046. Will it interfere with your statement to tell us now were those local subscriptions you have spoken of accompanied by conditions as to

Chairman—continued.

application or not?—None whatever; they were subscribed to the association.

Mr. Kearley.

2047. You had specified conditions already laid down; everybody who subscribed knew how the money was going to be spent?—Well, some did.

2048. No one had any idea that they were contributing towards pensions when they were subscribing to you?—No.

Chairman.

2049. I want the local application; for instance would the County of Devon apply the money subscribed to Devonshire cases?—No, they subscribed the money to the Devonshire branch of the association, without any restriction as to whether it was to be spent in Devonshire or not.

2050. Then the Devonshire Branch did what it liked with that money?—Subject to the rules.

2051. Subject to central control or the rules.

—Subject to the rules. Then in 1900 we received direct 29,514*l.*; from the Mansion House ear-marked we received 138,439*l.*; from the Mansion House Discretionary Fund (your Lordship knows what that fund is), 50,000*l.*; and our branches received 365,850*l.*, the total for that year being 583,803*l.* If you add the two years together you will get a figure of 909,912*l.* The result of this appeal I have put here is of special interest as showing the advantage of local organisation, local interest, and local personal administration, for out of that 909,912*l.*, 596,176*l.*, or more than half, was locally subscribed.

Mr. Kearley.

2052. Have you any particulars to give for 1901?—No.

2053. What has become of the Princess of Wales's Appeal?—It has produced about 120,000*l.*

2054. Is it included in the above figures?—No.

Mr. Hayes Fisher.

2055. It was sent direct to the office?—Yes, that is the reason I cannot give you the full result; simply because we do not know what has been collected in the counties up to the present time.

Mr. Kearley.

2056. What I want to get at is this: These are very splendid figures, but they do not embrace everything?—Up to the 31st of December only—these are figures up to the 31st of December.

2057. Could you give us any figures for 1901?—No; I can give you approximately what we have received at the Central Office, but we never know until we ask for returns, which are always difficult things to get up to date, what is being done in the different counties.

2058. Tell us as far as you can—It is impossible to do so for this year, for the reasons I have just stated.

Earl of Dartmouth.

2059. You can tell us the result of the Queen's last appeal?—Yes, it is about 120,000*l.*

Mr. Hayes Fisher.

2060. You contemplate that the result of that appeal in the counties has been the subscription of a very large sum, but the amount is entirely unknown to you?—Certainly.

2061. What

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[Continued.]

Chairman.

2061. What is the 120,000*l.*—is that directly received?—Directly received on the Princess of Wales's appeal at the Central Office.

Earl of Dartmouth.

2062. You could not tell roughly whether the proportion of contributions in the counties in 1901 works out about the same as it did in 1900?—No.

Mr. Hozier.

2063. In fact, in one half of this year, owing to that appeal you have got 120,000*l.* direct?—Yes.

2064. Whereas last year you only got 29,514*l.* altogether?—That is so. I may say we received 100,000*l.* within a month.

Mr. Kearley.

2065. As the outcome of the Queen's appeal?—Yes.

Mr. Hozier.

2066. And considering the proportion there has been hitherto between what you receive direct and what the counties receive, I suppose it is something like ten times as much?—I hardly think that the counties could keep up to that level now.

2067. Still it has been something very considerable?—Yes.

Chairman.

2068. Will you proceed with your statement?—I may say that out of that 313,736*l.* subscribed direct to the Central Fund, grants have been made by the Council to its branches from the commencement of the war of a sum of 308,335*l.*—that is the whole of the amount we have received at the Central Office with the reception of 5,400*l.* It might be of interest if I were to hand in this statement which I have made out of the grants we have made from our office to the different counties, which shows in 1900 the counties which were more or less self-supporting and received no grants from the Central Office.

2069. Will you please hand that in? (*It is handed in. Vide Appendix.*)—Now, my Lord, shall I give the amount given in relief.

2070. Yes, I think so?—In 1899 there was given in relief 4,361*l.* 13*s.*

2071. Did any of that go in pensions to widows?—None.

2072. It was all soldiers' and sailors' families?—That is so. In 1900 the amount given was 680,379*l.* 9*s.* 4*d.*; that is, we have given in relief from the commencement of the war up to the 31st December, 721,741*l.* 2*s.* 4*d.*

Mr. Kearley.

2073. Out of how much?—Out of 909,912*l.* odd.

Chairman.

2074. Will you proceed with your statement?—The number of families relieved during the war was in 1899, 19,270 wives, with 25,514 children and 5,701 other dependent relatives; in 1900, 59,017 wives, with 103,171 children and 31,272 dependent relatives. The total numbers relieved therefore in 1900 were 90,289 families and 103,171 children. That is as far as the particulars about the Transvaal War go.

(0.21.)

Chairman—continued.

2075. Is there any other statement you have to make?—No, my Lord, unless you wish it as regard pensions or proposals.

2076. To whom do you give your pensions?—We give pensions to nobody; I mean with regard to the future.

Mr. Kearley.

2077. Have you any invested funds?—Yes, 23,000*l.*

2078. Where is the 188,000*l.* odd, the difference between the 909,912*l.* and the 721,741*l.*?—It is standing on deposit and in the hands of our branches.

2079. And you expect to exhaust those funds very soon?—Can you tell me how long the war is to last?

2080. You do not anticipate you will have any surplus?—No.

2081. Your principle is to spend the money that is subscribed for the benefit of a particular set of sufferers?—Yes. You must recollect I particularly made a point of stating in the appeal we made to the public that this was not a special Transvaal War Fund. This money is not subscribed for a special War Fund in connection with the Transvaal War, although it will all be exhausted in connection with that war; it was subscribed to help us to meet the extra demand which would come upon us at war time.

2082. However, you have no surplus accumulate?—Certainly not.

Mr. Hozier.

2083. You told us that in England you arranged to divide the counties according to petty sessional divisions?—Yes.

2084. Of course, in Scotland you do not do that, because there are no petty sessional divisions?—No.

2085. But you deal with each county separately, do you, as a unit?—Yes, certainly.

2086. In the account I see there you simply divide Scotland into east and west?—Yes, because there are two branches in Scotland—one is the west and the other is the east. One has a committee in Edinburgh and the other a committee in Glasgow; they work under our rules in exactly the same way.

2087. As far as Scotland is concerned you do not communicate direct with any individual county, but you communicate either with Glasgow or Edinburgh?—Certainly.

2088. Towards Scotland you gave 1,126*l.* 5*s.* in 1899?—Yes.

2089. That is to the east?—Yes.

2090. And you gave 1,126*l.* 5*s.* to the west?—Yes.

2091. And with that exception Scotland has been entirely self-supporting?—Entirely; and I might explain those figures. Those figures, which seem a little odd, are some earmarked money that was sent to us especially for Scotland.

2092. It was sent to headquarters here earmarked for Scotland?—Yes.

2093. Otherwise, I take it, that Scotland has been entirely self-supporting?—Quite.

2094. And has, in fact, contributed, in addition to being self-supporting, to headquarters—

O

to

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Colonel GILDEA, C.V.O., C.B.

[Continued.]

Mr. Hozier—continued.

to the London Fund; I think you may take it from me that a good many people have done so?—Certainly.

2095. Scotland has been no burden; it has been entirely self-supporting, and it has contributed to England?—Yes.

Earl of Malmesbury.

2096. Your association never pretended to give more than purely temporary relief?—Never.

2097. So that practically it entirely depends from year to year?—Entirely.

Marquess of Bath.

2098. Did you have any difficulty before the war in peace time in keeping the interest in your association alive in the counties?—Yes. I will tell you why; simply from the fact that people had not enough to do; they felt there was little need for it in some counties, and particularly in the country, where in petty sessional divisions they might have one case and they might have no case at all, and it was very difficult to keep up the interest in the organisation during peace on that account, people did not see the necessity of it.

2099. On what principle did you go in forming your committees; did you go to members of the Services, or what?—That is entirely left with the president of the county committee, who is generally the wife of the Lord-Lieutenant.

Earl of Dartmouth.

2100. In time of peace, of course, the contributions were comparatively very small in the counties?—Yes.

2101. And I think I understood you to say that the idea was that in time of peace all the counties should be self-supporting?—Yes.

2102. And I suppose, as a matter of fact, a good many of the counties sent up the bulk of their contributions to the central association?—Not the bulk; a good many did contribute.

2103. I think the general idea was that there was not much to do in the counties, and that it was no good having a large sum doing nothing, and what was over was sent up?—Quite.

2104. And that is your idea as to the general working of the scheme—that the rich counties who have a small amount of relief to do should supplement by sending their balance to the central fund in order, through the central fund, to assist those counties which are not so well off?—Yes, and more, to assist the naval and military stations such as Aldershot, Portsmouth, and Southampton, where, unless we were able to supply them with funds, they would not have sufficient money.

2105. Then as regards the connection between the local bodies and the central, the central body lays down general rules for guidance?—Yes.

Earl of Dartmouth—continued.

2106. But those are to a certain extent elastic?—Certainly.

2107. You give for the foundation of your scale of relief a minimum?—Yes.

2108. And, of course, the local committees, who ought to know all about their cases in their particular division, give more or less, and you do not lay down any definite scale?—No, we leave it to our local body to use their discretion in a broad sense.

2109. There is one other point. Of course, in the first instance there were in localities a great many other local bodies who started with the idea of doing something of the same kind of work?—Yes.

2110. I will not say there was friction, but there was a little independence?—Yes.

2111. Is it your experience from this war that where it has been so, owing to the experience that these affiliated bodies with the Soldiers' and Sailors' Association have had during this time, the probabilities are that in the future these various bodies are much more likely to fall into line with the Association than they were at the commencement?—Well, as a matter of fact, there are very few of these local independent funds existing at the present time.

2112. You mean that they died out?—They have died out, and in many cases their committees have joined hands with our committees and become members of our committees.

2113. Of course, there is a possibility that in the event of another war those local independent bodies that have died out will crop up again, or may crop up again?—Never.

2114. Owing to the experience they will be perfectly ready to join hands with the association which you represent?—Quite; and we have found, as a rule, that these independent funds have only been created where we were a little weak.

2115. As a matter of fact there have been a good many statements made in the papers as to certain individuals who have been omitted here and there, and to the effect that the relief that others have been given is most inadequate; but your experience goes to show that up till now, if there are cases of that kind it is only because those in authority have not had their attention called to the particular cases. Do you know yourself many parts of the country where there has been any failure to give the necessary relief and assistance?—None that I know of.

2116. There was an article the other day in the "Daily Mail" signed by Edgar Wallace, in which he gave rather a sorry account?—That was enquired into, and it was found that except in one case among some 40 or 50 every one of those women that men wrote about from South Africa had been receiving relief.

The Witness is directed to withdraw.

Ordered, That this Committee be adjourned to Tuesday next, at 11 o'clock.

Die Martis, 11^o Junii 1901.

MEMBERS PRESENT:

Marquess of BATH.
Earl of DARTMOUTH.
Earl of MALMESBURY.
Earl of WESTMEATH.
Lord JAMES.

Mr. ARCHDALE.
Mr. HOZIER.
Mr. HAYES FISHER.
Mr. KEARLEY.
Mr. LAMBERT.
Colonel NOLAN.

THE RIGHT HONOURABLE THE LORD JAMES OF HEREFORD IN THE CHAIR.

MR. STEPHEN EDWARD SPRING-RICE, C.B., is called in; and Examined, as follows:

Chairman.

2117. WILL you please state your position at the Treasury?—I am Auditor of the Civil List, and a Principal Clerk in the Treasury.

2118. I believe you are good enough to come here to-day as representing the Treasury to give us information as to the Government Scheme of Pensions?—Yes.

2119. How far has that been determined upon?—The scheme is now settled in its main lines, but there are some administrative details that remain to be worked out.

2120. But in its main details the scheme is now settled?—Yes.

2121. It is with the authority of the Chancellor of the Exchequer or of the Treasury that you are now placing this scheme before us?—Yes.

2122. Will you state the details of that scheme so far as they are settled?—Yes. I had better, perhaps, read out the principal heads of the scheme.

2123. Will you give it in your own way?—The first head is as to the widows who are qualified; they are defined as follows: "The widow of a non-commissioned officer or man who has been killed in action, or who has died of wounds or injuries received in action within 12 months after the receipt of the wound or injury, or who has died of disease medically certified as contracted or commencing while on active service within 12 months of his removal from duty on account of such disease"; that is the qualification of the widows; those widows are qualified to receive pensions under the scale; then those general qualifications are followed by some provisos which, perhaps, I had better read.

2124. Practically speaking, that refers to widows on the strength only?—I was going to refer to that point immediately; those general qualifications are subject to the following provisos; first, the non-commissioned officer or man must have been either in the married (0.21.)

Chairman—continued.

establishment of his corps (that is your point), or a Mobilised Reservist, Embodied Militiaman, Imperial Yeoman, or member of a Volunteer Service Company who had been married before his mobilisation, embodiment, or enlistment, as the case may be; that is the first proviso; the second proviso is that his death was not the result of injury or illness due to his own fault or negligence; thirdly, the widow must have been legally married to the non-commissioned officer or man before the receipt of the wound or injury, or before the disease was contracted. The next proviso is of a different nature; it is to the effect of reserving discretion to the Secretary of State for War to withhold a pension in cases in which the widow is proved to be unworthy of the Royal favour; should a woman be found so unworthy at any time after the grant of a pension, it shall be in the power of the Secretary of State to terminate or suspend the pension.

2125. Is there any meaning attached to the word "unworthy"?—I have no doubt when the question arises an interpretation will have to be put upon it, but at present there is no interpretation given; in that connection perhaps I ought to have mentioned that it is stated in the Preamble of the Warrant which will deal with this matter in the Army, that these pensions cannot be claimed as a right. The next proviso is that the pension of a widow who re-marries shall cease on her re-marriage, when, however, she may receive a gratuity equal to one year's pension in full discharge of all claims; that, of course, is a different sort of proviso, as you will recognise.

2126. Yes. Is there any provision in the case of the second husband dying?—No. The wording is that the gratuity so received is to be in full discharge of all claims on His Majesty's bounty.

2127. I thought it might have been only during widowhood?—No, it is in full discharge. Then

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Mr. S. E. SPRING-RICE, C.B.

[Continued.]

Chairman—continued.

Then the next proviso is this: If parish relief is afforded, the payment of the pension shall be subject to certain rules applicable to the pensions of soldiers, the effect of which is that the pension is not stopped, but that a certain part, or the whole of it, goes to the board of guardians who provide the poor relief. Those are the main provisions referring to the case of widows. But I should perhaps add that it is intended that the widows of non-commissioned officers and men killed or dying after the 11th October 1899 shall be eligible under the foregoing conditions. The date of the commencement of the pension shall be determined by the Secretary of State for War in each case.

2128. The effect of that is to apply those provisions to the present war, and not to go back to old wars?—Exactly. Now shall I read the rates of pension for widows.

2129. Yes, if you please?—Soldiers, non-commissioned officers and men, as the Committee are aware, are classified in different classes, and the pensions for the widows are arranged in accordance with those classes; for Class I. the amount is 10s., for Class II. 9s., and for Class III. 7s. 6d.

2130. Class I. includes whom?—Class I. is the highest class of non-commissioned officers and men, and Class V. is the privates, and the other classes are between those two.

2131. We had better have all the classes put out in line; they are set out in Mr. Kearley's evidence. At page 3 of the Minutes of the first day the five classes are given: Quartermaster sergeant, colour sergeant, sergeant, corporal, and private. Those are the five classes?—Yes, I believe that is right.

2132. Class I. would be quartermaster sergeants; you say there the widow's pension would be 10s.?—Yes, 10s.

2133. Now, Class II., colour sergeants, what is the widow's pension there?—9s.

2134. And Class III., sergeants?—7s. 6d.

2135. Class IV., corporals?—6s.

2136. And Class V., privates?—5s.

2137. Would it be convenient to you to give us now the children's rates for each of those classes?—Yes. For Class I., quartermaster sergeant, the rate is 2s. for each child.

2138. And Class II., colour sergeant?—2s. for each child.

2139. And Class III., sergeant, for each child, 2s.?—Yes; and Class IV., corporals, and Class V., privates, 1s. 6d. each child.

Mr. Hayes Fisher.

2140. Will you give us the ages at which the pensions cease in the case of children?—Yes. Shall I go through the regulations with regard to children?

Chairman.

2141. Yes. The point to which the honourable Member has referred is an important one, and you will no doubt bring it in your own sequence?—Pensions at the rates which I have just read may be granted to children born in lawful wedlock of non-commissioned officers and men, killed and dying under the conditions I have already stated, as follows: First, a pension shall not be paid to boys over the age of 14 or

Chairman—continued.

girls over the age of 16; provided that, if it is shown to the satisfaction of the Secretary of State that owing to mental or physical infirmity the boy or girl is unable to maintain himself or herself the pension may be payable up to an age not exceeding 21. Then another condition is this: If the mother is dead or has forfeited her pension through misconduct under the conditions I have already mentioned, the Secretary of State shall have power to issue pensions to the children within the limits of age I have already mentioned, at twice the normal rates, provided that in cases of the mother's misconduct the children are removed from her control. The Secretary of State also has power, if he thinks fit, to increase the pension to a sum necessary to enable the children to be placed in some benevolent institution, within a limit to be fixed by the Secretary of State with the concurrence of the Treasury.

2142. Is there anything else you have to add?—Those, my Lord, are the principal provisions which will be included in the Royal Warrant which will be necessary in order to apply this scheme to the Army. There will be a similar document for the Navy (it is called an Order in Council there), but of course, as we all know, the Army matter is much larger at the present time, and much more immediate.

2143. Have you got the particulars of the new naval scheme with you?—There is no reason to anticipate that it will differ from this except in technicalities.

2144. The proportionate rates for Classes I, II., III., IV., and V. will find their equivalents in the Naval Services?—Yes.

Mr. Hayes Fisher.

2145. According to the method now adopted at Greenwich probably?—Yes, the corresponding ratings of the two Services have been agreed.

Chairman.

2146. The corresponding grades in the Navy are given on page 15 in Mr. Lambert's evidence, at Question 290, which I may read for the convenience of the Committee: "Class V.—Privates in the Army, corresponds to able seamen, privates of marines and marine artillery; Class IV.—Corporals, corresponds to second class petty officers, corporals of marines and marine artillery; Class III.—Sergeants, corresponds to first class petty officers, sergeants of marine and marine artillery; Class II.—Colour sergeants, corresponds to chief petty officers and colour and staff sergeants of marines and marines artillery; and with regard to Class I." (which is quartermaster sergeant) there is "no such rating in the Navy." So far as you know those are the corresponding classes?—Yes.

2147. Is there anything you wish at present to add to your evidence?—I have stated what is the principle of the document which will govern these pensions. It may be convenient to the Committee to know something more as to the actual system of the payment of the pensions.

2148. If you please?—This part of it has not been worked out in detail, but substantially the Committee may take it that these payments will be made fortnightly, and that they will be made
*through

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Mr. S. E. SPRING-RICE, C.B.

[Continued.]

Chairman—continued.

through the medium of the post offices in much the same way as a large number of Army pensions are now paid.

Colonel Nolan.

2149. Is not the present system three-monthly?—There is at present nothing corresponding precisely to this new system of widows' pensions, but, broadly speaking, the honourable and gallant Member is right that the payments are mostly made quarterly.

2150. I said three-monthly—quarterly?—A few are made monthly, I think.

Mr. Kearley.

2151. You say the Army pensions are paid monthly?—Some of them.

Chairman.

2152. These widows' pensions are to be paid fortnightly?—Yes.

2153. Are there any arrangements for making inquiries either as to the fact of the woman being entitled in the first instance or in order to give effect to the word "unworthy"?—As to the question of granting a pension in the first instance, that has not yet been put into the form of regulations, but I think the Committee may anticipate that the way it will be done is through the local officers who are in touch with the regiment or unit to which the deceased belongs. Of course these people will be in receipt of an Army separation allowance in almost all cases; so that there is already a point of contact, so to speak.

2154. I suppose before a separation allowance is given there would be inquiry made as to the fact of legal marriage?—Yes; I think there is no doubt about that.

2155. Is there any arrangement, or do you anticipate any arrangement being made as regards the "unworthy" clause?—There is, I think, no arrangement at present contemplated; I would ask the Committee to take this with some reserve, because it is possible it may be thought necessary to do so sooner or later, but I do not think at present any such thing is contemplated. The Committee is aware that a similar system has been in force for a long time with regard to the Greenwich pensions, and I believe I am right in saying that in the case of Greenwich pensions there is no formal system of inquiry as to "unworthy" persons.

Mr. Hayes Fisher.

2156. In fact, as regards Greenwich, I believe all they do is to receive information, and that, I believe, is only very occasional, that the recipient is leading a life that is very undesirable, and therefore they stop the pension?—I believe that is so.

2157. But they do not make any fishing inquiry in order to ascertain whether the woman continues to be a woman of good character?—No; I believe the Committee has had Mr. Lambert as a witness, and he knows what is done in regard to that.

2158. You said just now that these widows would not be entitled as of right to a pension?—Yes; that is expressly reserved.

Mr. Hayes Fisher—continued.

2159. But at the same time the widow, I presume, of every British soldier dying on the field or dying of wounds within so many months after he has been wounded or smitten with disease would be eligible for a pension, and no inquiry would be made into her circumstances as to whether they were necessitous or not?—Yes. I agree with that statement; the honourable Member is well acquainted with the system of Civil Service Pensions, and he is aware that the pensions of Civil Servants are also expressly not a matter of right; but he is probably also aware that they are given as a matter of course.

Chairman.

2160. The widow has a right to expect the pension, at any rate?—Yes.

Mr. Hayes Fisher.

2161. But, so far as you know, it is not the intention of the Departments under the Government Scheme to make any inquiry of any widow as to whether she is provided for by the "Daily Telegraph" Fund, or by the "Daily Mail" Fund, or by private charity, or whether she is capable of earning her living?—No, I am not aware of any such intention.

2162. That is not in the least to prejudice her claim to any pension?—No, I believe not.

2163. We were told the other day by Colonel Young, the Secretary of the Patriotic Fund Commissioners, that the Patriotic Fund Commissioners were providing or were intending to provide for the widows of Colonial soldiers who have fallen in the field; has that been considered at all by the Committee on which you have been taking an active part?—The question, of course, is one to be considered, and the Government, I may say, has not yet finally decided what course to take about Colonial widows.

2164. It is still under the consideration of the Government as to whether their scheme shall or shall not include the widows of Colonial soldiers?—Yes, that is so.

Earl of Dartmouth.

2165. You have mentioned the fact that you trusted to the officers for this information as to the unworthiness of these women; I did not quite gather whether you meant regimental officers or what officer was it you had in mind?—Perhaps I did not make it clear. The point in regard to which I mentioned the regimental or district officers was not as to the worthiness or unworthiness of the widow, but as to the initial grant of the pension.

2166. But, then, what I gathered was that in the case of a woman being unworthy she would be disqualified from receiving a pension?—There is power taken to stop the pension in that case.

2167. What I wanted to find out was upon whose authority is this question of unworthiness settled; would it be the regimental officer or the district staff officer on whom you would rely for information?—I am not prepared to answer that question categorically, because I do not think it has been settled yet; but I conceive that in a delicate matter like that it would be some distinctly superior officer; and your Lordship will observe

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[Continued.]

Earl of Dartmouth—continued.

observe in what I read out the power is in the hands of the Secretary of State.

2168. Yes; but the Secretary of State must depend upon somebody for the information?—Yes. I think you may take it that such a strong measure as that would not be taken without fairly high authority.

2169. And after local inquiry?—Yes.

The Marquess of Bath.

2170. Is it the intention of the Government to institute any inquiries with regard to the circumstances of marriage?—An honourable Member asked that question just now and I said there was no such intention that I am aware of. Your Lordship means as to the private circumstances or the private means of the widows?

2171. What I mean is this; I believe, from information I have had, that there is a certain class of woman who marries a soldier, or works on his honour to induce him to marry her, in order that she herself may get a claim as a widow?—There is the provision as to unworthiness.

Chairman.

2172. That provision is simply as to stopping the pension, and not as to granting it in the first instance, is it not?—It is both, as to not granting a pension and as to stopping it when granted. That might meet some of the cases referred to by the noble Marquess. And also I might point out that the widows in order to be qualified to receive a pension must be married before the mobilisation.

Mr. Kearley.

2173. You do not go back beyond that?—No.

Colonel Nolan.

2174. You spoke about those on the married establishment of the corps; will anyone have a dispensing power to settle what the married establishment of the corps is?—The married establishment of a corps is settled, I believe, by Royal Warrant and otherwise, with regard to military and similar considerations, and when it is once settled for a certain corps of course there is a certain number of people who may be married on the strength, and the others who get married are not on the strength. It is a question of fact in each case, I take it.

2175. Do you think it is so simple as that. Are there not a certain number who are married with the leave of the colonel who are waiting to get on the strength?—I could not answer with confidence on that point.

2176. But it is a most important point, almost the turning point of the question. Might I therefore ask you, is there in this new scheme any dispensing power in the hands of the Secretary of State for War or anybody else to give pensions to women who are outside the actual limit of the married strength of the corps?—No, there is no dispensing power in the Royal Warrant which will shortly be issued.

Chairman.

2177. It excludes women who are off the strength?—Yes.

Colonel Nolan.

2178. I understand you to mean that you cannot tell me in detail with regard to the case of a woman who is married with the leave and approbation of the colonel of the regiment but has not been put on the married strength?—No, and I think the honourable Member will recognise that that is a technical military matter.

2179. But that of course is a very important point. From whom could we get evidence with regard to that?—No doubt the Secretary of State for War would be able to recommend some witness who could explain that point if necessary.

Chairman.

2180. You do not represent the War Office directly; you come from the Treasury?—Yes, and upon such a technical matter it is imprudent for anybody to speak without full knowledge.

Colonel Nolan.

2181. I want to get some evidence about the dispensing power in regard to bringing in the case of widows who are married to a certain extent with the consent of the commanding officer; I wanted to know whether we could get somebody who could give us the views of the War Office in regard to that point?—I might be able to obtain an answer.

2182. Will you tell me shortly what are the most salient features in which the present scheme of the War Office differs from that now in use; is the scheme you are suggesting the old one that has been prepared for the last three or four years, or is it a new scheme?—There is at present no scheme in operation for giving pensions to soldiers' and sailors' widows from Government funds—I mean from voted moneys. Sailors of course get them from Greenwich Hospital; but there is at present no scheme for giving pensions to the widows of soldiers killed in action, and so forth, from voted moneys. The Government has been preparing a scheme which is practically ready for issue, and it is that scheme which I was endeavouring to put before the Committee.

2183. Has there not been some old scheme for giving these pensions?—Not within the memory of man, I think.

2184. As regards the Crimean widows, for instance?—The Crimean widows to which the honourable Member refers are provided for out of the Patriotic Fund.

2185. Solely?—Yes.

2186. Have the War Office considered the case of the widows of men shot or hurt by explosions or injured by engineering or ordnance apparatus or by falling from a horse in peace time—has it thought of the advisability of putting them on the same footing as the widows of men killed in action?—This scheme is confined to the widows of men who have been killed in action or died of wounds or injuries received in action.

2187. Does it give pensions also to the widows of sailors drowned in peace time?—Not in peace time. I have not before me at present the draft of the Admiralty Order in Council because that is not ready yet, but the Committee may take it that

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[Continued.]

Colonel Nolan—continued.

that it will follow the lines of the scheme for the War Office scheme.

2188. Have they considered the advisability of including the case of soldiers meeting violent deaths when engaged in professional duty in peace time?—No doubt that point has been considered, but that is not included in the scheme.

2189. Has it been considered?—No doubt it has been brought to the notice of the Government at different times.

2190. Do you know of its being brought to the notice of the Government?—I can hardly say I know officially, but, of course, it has been brought to the notice of the Government.

Mr. Archdale.

2191. As I understand, the scheme is only for widows on the strength?—For widows on the strength, with the important addition of mobilised reservists, and so forth.

2192. I do not know how the widows can be on the strength in a militia regiment where there is no number on the strength; in a militia regiment any man may be married?—I think there is no limit to the strength when reservists and militiamen are embodied.

2193. Then it is only in line regiments there is any limit; in the militia and yeomanry any man's widow can get a pension?—Yes, it comes to that.

Mr. Kearley.

2194. The only restriction as to widows being eligible, as my honourable friend says, is placed upon soldiers in line regiments?—Yes, the ordinary Army.

2195. A militiaman may come up and be embodied and get killed and his widow gets a pension?—Yes.

2196. But a linesman may have been serving seven years, and not having been included in the married establishment, he may be killed and his widow gets nothing?—She gets nothing from the Government.

2197. We are talking, of course, of the Government scheme?—Yes.

2198. You were a Member of the Committee which dealt with the preparation of the scheme, were you not?—I must not say that. I was a Member of a Committee appointed within the Departments to work out the details of the scheme, which is a different matter.

2199. It was upon the recommendation of that Departmental Committee that the scheme was framed, I understand?—No, I am afraid you must not take it in that way, if you please.

2200. Did you discuss at that Departmental Committee the various bearings of the scheme; did you consider, for instance, what was to become of the widows of those married off the strength; did that come under your purview at all?—I am afraid that that is a question that I can hardly answer. A committee of permanent officials is appointed to advise their chief on subjects upon which the chief chooses to ask them for advice, and the honourable Member will perhaps see it would be inconvenient if in dealing with that, one went beyond any statement of

Mr. Kearley—continued.

results. The decision of the Government was that soldiers married off the strength should not be included in the scheme, and of course it is perfectly beyond question that in arriving at that decision everybody concerned must have been aware that there were soldiers married off the strength who would, some of them, get killed and leave widows, and that those widows would require providing for. I am afraid I must ask to be excused from going into it more particularly.

2201. I quite appreciate your point, and I am not wishing to dive into matters that are not open to us at the moment. I thought possibly you might have conceived some way whereby those widows married off the strength could be relieved, but I will not press it. You mentioned you had some contact or touch with widows or those who became widows by virtue of the fact that they would be in receipt of separation allowances?—Yes.

2202. But is it not the fact that a man has power to allot a separation allowance to whomsoever he chooses?—I am afraid I cannot answer that question off hand.

2203. A man is not bound to allot his separation allowance to his wife; he can allot it to anybody he likes, can he not?—Perhaps I could answer that question in a way that would be a little assistance to the honourable Member. This is a matter of knowledge on the part of the military authorities as to how far they are in touch with the men and their wives; and the honourable Member may take it from me that the War Office authorities generally are not under any apprehension that anybody will fall through or be overlooked. The technical description of the person who has to make up a claim for pension is either the officer commanding the regimental district or whoever else may have the charge of what are called in military language the documents of the deceased. I take it it comes to this: Every soldier is connected with some centre where the authorities ought to know all about him, and where they are confident they do know enough for this purpose.

2204. Can you give me any information with regard to this point: these pensions are intended to apply to those who have suffered through the South African War; is it the intention of the Government from this time forward to give a pension to the widow of any man who loses his life in the performance of Service duties, through accident or what not sustained in the Service. Supposing, for example, there were a review at Aldershot to-morrow, and a man fell off a gun carriage and was run over and was killed, would his wife be eligible under this new scheme?—Certainly not. The provision is for those killed in action or dying of wounds received in action, or disease contracted during active operations in the field. That clearly would not extend to such a case which the honourable Member puts.

2205. Then there is a limitation?—Yes.

2206. It must be occasioned by a war sort of service, or disease or wounds contracted which are attributable to a particular campaign?—Yes, it is distinctly a war pension, putting it broadly.

The Witness is directed to withdraw.

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COLONEL JAMES GILDEA, C.V.O., C.B., is re-called; and further Examined, as follows:

Mr. Hayes Fisher.

2207. You told us on the last occasion that in England, Scotland, and Ireland the Soldiers and Sailors' Families Association was now thoroughly well organised, and you went so far as to say there was a live committee in each county and petty sessional district, and specially strong in London, Glasgow, and the military centres; was that so?—That is so.

2208. Would you say that your organisation had attracted to itself most of the elements which were keen and enthusiastic about the soldiers' welfare?—I should say so.

2209. You now have a thoroughly well-knit organisation of competent men and women well directed and economically administered?—Quite so.

2210. How far has this organisation been made use of by Chelsea, Lloyd's Patriotic, the "Daily Telegraph" funds, and so on?—By all, I think.

2211. For the purpose of inquiry?—Yes, for the purpose of inquiry.

2212. I think Sir Edward Lawson said he had done so?—Yes.

2213. On the whole, have you worked harmoniously with all those bodies?—Quite.

2214. Has your organisation been made use of at all by the War Office?—Yes, to a certain extent, small directly with the War Office, but very considerable with the Regimental Districts.

2215. And you have been always ready to supply them with any information?—Yes, entirely. They always apply to us whenever they are in difficulties.

2216. I understood you to say that before the war one of the reasons why you were not sufficiently and adequately organised was that there had not been enough work for your Committees to do?—That is so. It was not only a very difficult matter to create the organisation, but it was more difficult to keep the organisation going, from the fact that people could not see the necessity for preparing for war, and the chief complaint of the Committees was that they had no cases to look after.

2217. So that in some of the petty sessional divisions, at all events, if not in some of the counties, the organisation was, to a certain extent, a skeleton organisation?—Certainly.

2218. Do you think there is any danger of its relapsing into that skeleton condition again, and losing its flesh and muscle after the war is over?—Not the least.

2219. But I suppose the more work you could give of an interesting character the more likely you would be to keep it in a condition of health?—I think that is just what we wanted, something more to do in time of peace. We have plenty to do in time of war, but we want something more to do in time of peace.

2220. You have listened to a good deal of evidence given before the Committee. You have just heard that the Government contemplate a scheme of pensions to widows, leaving out certain classes; you have heard that it may

Mr. Hayes Fisher—continued.

be necessary to supplement those pensions at discretion after inquiry?—Yes.

2221. Do you think your organisation would find possibilities of usefulness in making those inquiries which are necessary for the proper discrimination?—Certainly. I am prepared to say so from the fact that I have sounded all our branches throughout the country as to that possibility, and there is a consensus of opinion that they can undertake any work that they are asked to do. I have got one letter here from which I might just read a very short extract: "The office bearers have in this county taken such a great interest in their work, and know so thoroughly how to carry it out that I have no fear of our organisation ever lapsing. In fact our Association could easily undertake other work if it were considered necessary, for our office bearers are now practically in touch with the inhabitants of every village, and what is the case in this county is also the case in others throughout the kingdom"; and from another letter (these letters I may say are from retired military officers who have been connected with the Association almost since the commencement), I may read this extract: "We have a complete organisation throughout the county which works admirably, and would be quite sufficient to distribute or administer any war funds. We are quite capable of looking after widows, wives and families, and old pensioners or wounded men, or in fact anything connected with the Services." Those are two out of a very large number of opinions which I have received upon this matter.

2222. Those opinions all tend in this direction, that your organisation is now competent to give either to the War Office, or to the Patriotic Commissioners, or to Chelsea Hospital, or Greenwich Hospital, such information as they would require before they could say whether or not a certain pension ought to be supplemented?—Certainly; and more so from the fact that our organisation have entirely to do with the wives, before they become widows, of soldiers, so that we know every particular about their case.

2223. Your organisation is in direct touch with the wife of a soldier before she becomes a widow?—Certainly.

2224. Do you think that possibly by keeping the organisation in touch with these wives after they become widows, and keeping up the interest between the organisation and the widow, it might lead to some kind of local supplementing of the pension?—Yes, I think so.

2225. Would you attach considerable importance to keeping up that local interest in the local widows?—Most certainly.

2226. Supposing, for instance, it were pointed out that there were certain widows, most deserving people, who, as Colonel Nolan suggested, had obtained regimental leave to marry but were not on the pension list, do you think that your local organisation might possibly be induced to appeal to the locality for money, and raise money

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[Continued.]

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money in such cases?—Yes, I think they would, and I might say with regard to that, that the origin of this Association really was chiefly for those women off the married strength.

2227. Now, in your opinion, so far as local organisation is concerned (I am not speaking now of any central body), is there any need of raising in the counties or county boroughs any further committees?—None whatever; in fact, I have that opinion in the same way expressed in letters here from different branches.

2228. You have obtained their opinion upon that point?—Yes, the same opinion; that if further committees were established it would only make confusion worse confounded.

2229. Do you think that there would be work enough for two committees to do in the same place?—No.

2230. I understand you are averse to calling into existence another set of local committees?—Most certainly.

2231. Nobody has had greater experience than you as to the management of these War Funds; so I may ask you have you formed any opinion as to the advisability of setting up some kind of central consultative committee?—Yes.

2232. Will you tell us what your opinion is as to how far such a committee might serve a useful purpose?—I will state it in a very few words; I consider there should be established one general War Fund with trustees and a small council, with one representative each for widows and orphans, for wives and families, for sick and wounded, and for disabled soldiers and sailors; and one representative from the Treasury, one from the Admiralty, one from the War Office, one from Greenwich Hospital, and one from Chelsea Hospital, constituting nine members for the council; and in connection with this body (of course this is only my opinion) there should be two pension boards established, who would be virtually the executive of this council, *videlicet*, one for the Navy at Greenwich Hospital, and one for the Army at Chelsea Hospital. I am further of opinion that the State Pensions and all supplementary funds for widows and orphans should be placed in the hands of these trustees for adjudication and payment together by the pension boards.

Mr. Kearley.

2233. The funds collected to be handed over to the trustees?—To the trustees of one general central War Fund.

Mr. Hayes Fisher.

2234. Do you contemplate that this body should in time of war make appeals to the public for funds?—Yes; and they should be the body that should decide in the case of a disaster, for instance, a ship disaster, whether an appeal should be made, and on what lines it should be made.

2235. Have you thought out at all what would be the functions of this body in time of peace?—There would be very little for it to do in time of peace.

2236. What would you suggest it should do; it would meet occasionally, I presume?—It would meet occasionally; I think this council should give general instructions to the pension
(0.21.)

Mr. Hayes Fisher—continued.

boards which they would carry out in detail, because this council consisting of different bodies would be able to advise the pension boards on some general scale of help.

2237. Do you think that such a body in appealing for funds would command the confidence of people and would obtain those funds?—It is all a question of confidence.

Chairman.

2238. Surely it is not only a question of confidence, but it is a question of the inspiration and motives to action and spontaneity of action as well as confidence?—What I mean is that I do not think that anybody appealing for funds at the present time for widows and orphans would get any great response.

2239. But if they had begun in October 1899 they would have?—Yes, that is another thing.

Mr. Hayes Fisher.

2240. But your idea, as I understand, is to call into being now some kind of central consultative committee, which should be a small workable body and composed of representatives of the principal military charities, with certain representatives of the Government departments which are connected with the Army and Navy and the Treasury?—That is so.

2241. That that body should continue to exist, and in case of a war, whether small or great, it should appeal to the public for funds?—Yes.

2242. And it should hand over those funds for distribution to Chelsea Hospital, Greenwich Hospital, and also, do I understand, to the local committees?—Not so far as the widows and orphans are concerned—only temporary help; you must always keep the two things quite separate—temporary help and pensions.

2243. So far as pensions are concerned the money subscribed for pensions should be handed over to Chelsea Hospital and Greenwich Hospital to be distributed according to certain rules?—Yes, certainly.

Chairman.

2244. Your society has nothing whatever to do with the pensions?—Nothing whatever, except those two funds which I mentioned on the last occasion.

2245. But, speaking generally, you are limited to the families of living men?—Quite so.

2246. Am I right in saying also you are not a large collecting body. I think the sum you receive direct is small; the principal sum you receive is from the Lord Mayor, is not that so?—No, we are a very large collecting body.

2247. How much did you collect in the last 12 months?—In 1899 we received direct from the public at our office here 45,783*l.*; we received from the Mansion House earmarked for our work 50,000*l.*, and the branches of our association throughout this country received 230,326*l.*

2248. Did the branches collect that locally?—Yes, it was paid in locally in answer to the appeal which we made from the central office. That amounts to 326,109*l.* for 1899.

2249. Then of course I was incorrect. Now in 1900 what did you receive?—We received direct 29,514*l.*; we received from the Mansion
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[Continued.]

Chairman—continued.

House earmarked for our work 138,439*l.*; from the Mansion House Discretionary Fund 50,000*l.*; and by the branches of the association 365,850*l.*, making a total of 583,803*l.* Total from 13th October 1899 to 31st December 1900, 909,912*l.*

2250. Do your local committees make appeals in the localities and collect funds?—Yes.

2251. Do they call meetings to collect the money?—Yes.

2252. And then administer them?—Yes, and then administer them.

2253. Now I wish to ask a little more about your body. Would you tell me again, if you please, who would form this proposed new central body of which you have been speaking; they would be the representatives of what entities?—First, there would be a representative for widows and orphans—

2254. What does that mean?—There is the Patriotic Fund—

2255. How is the representative to be found?—I suppose if the Patriotic Fund was in existence, according to my scheme, they would have a representative upon this council.

2256. Then when you speak of a representative for widows and orphans do you mean a representative of the Patriotic Fund?—Or whatever fund undertakes the payment of the pensions of widows and orphans.

2257. But I want to get at that. It seems to me we are arguing in a circle?—If a body undertakes the payment of pensions for widows and orphans you must form that body?—Yes.

2258. Where is your formation of it. How do you form that body to get this representative who is to get on to another body?—Those representatives are to form what I think ought to be a new council.

2259. But I do not rightly understand what you mean by a representative for widows and orphans?—To show what I mean let me take the next one "Wives and Families." I represent to some extent the Soldiers' and Sailors' Families Association, and it might be that the Soldiers' and Sailors' Families Association Council would appoint me to represent them on this new council.

2260. That may be, but you are going to another point. I want to be very accurate about this. You tell me that the wives and families could be represented by your society, and I understand that. But I want to get the representative for the widows and orphans?—Very well. There are the Patriotic Fund Commissioners in existence.

2261. Then you mean that the Patriotic Fund should find a representative on this new body?—Yes.

2262. Then the next is a representative for wives and families which, I take it, would be your body?—Our body.

2263. What is the third?—Sick and wounded.

2264. Who would represent them?—The Red Cross Society—the society in which the late Lord Wantage took so much interest.

2265. And the fourth?—Disabled soldiers and sailors.

2266. Who would represent them?—That would be Lloyd's Patriotic Fund.

2267. Without pledging yourself to the exact

Chairman—continued.

selection, I suppose you would say the different charities should send a representative to represent the different objects of such charities on this council?—Yes, that is what I mean generally.

2268. To that body you would add Government officials?—I would add a representative of the Treasury, of the Admiralty, of the War Office, and of Greenwich and Chelsea Hospitals.

2269. So I understand. Now to that body, do you propose to give control over the Government action in respect of these funds. Take the new Government scheme for widows and orphans; would you let this body work out certain arrangements such as Colonel Nolan suggested upon that scheme?—I should.

2270. And so control what is Government action and Parliamentary action?—According to the Royal Warrant.

2271. But to control the Royal Warrant, or rather that is a wrong term, but I will say to make suggestions to effect alterations in the Royal Warrant?—I would not go so far as that; but to carry out the system of the Royal Warrant.

2272. But is the Royal Warrant to lay down the system to be carried out or is this body to be able to make suggestions for an alteration of the Royal Warrant?—Not so far as the State pensions are concerned; but this body would come in chiefly in regard to supplementing the State pensions.

2273. Then, as regards the Government scheme itself (not as regards supplementary action), you would not let this body control that?—No, certainly not.

2274. Then, as regards supplementary action under these different heads—and we have had five different heads suggested—would you let this body positively order what was to be done or advise what was to be done?—I do not believe in their advising.

2275. How can you apply an authoritative order and direction to control voluntary effort?—I do not see exactly the point.

2276. You said you thought it was useless to give this central body only advisory power, and you wished to give it authoritative power to order and direct?—Yes.

2277. That I can understand if you had a Government Department or a specific fund to deal with; but when there is to be an appeal to the public for funds and you are asking the public to give you voluntarily these funds, is it possible to apply a specific power of order and direction so as to control that voluntary effort?—I think the public, if they had confidence in this body, would place funds in their hands to use at their discretion and command.

2278. Let me ask you this; supposing somebody says: "We in Devonshire will collect money for the widows of Devonshire soldiers off the married strength, and we will send it up to the central body" (who will probably be the receiving body as well as the advising body), but "we wish it applied to Devonshire widows." Supposing the central body says: "No; you are giving these Devonshire widows a great deal too much, whilst the Northumberland widows are starving and there is nothing for them." Would you let this advisory body control the distribution

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Chairman—continued.

distribution of the fund or not?—I do not think that question would arise.

2279. Will you allow me to put it to you hypothetically?—I believe that the Devonshire people would put their trust in the decision of the new body so formed, provided it is able to obtain confidence at all.

2280. Let me go back to the local people for a moment; supposing war breaks out, you have got your Soldiers' and Sailors' Families Committee; do you suggest that the spontaneous action arising from a new war would not find vent in a new committee, but that they would only go to your old committee?—You mean that new committees would be formed?

2281. Yes; I understood you to say there would be no necessity for them, and that they would not come into existence?—I do not think if war broke out there would be any new committees formed.

2282. The Soldiers' and Sailors' Families Association superseding everything?—Yes.

2283. Is not that rather a matter of faith?—It may be so, but that is my belief.

2284. On your central body you are proposing to put five Government officials; do you think the class of people who would be enthusiastic for voluntary effort would have perfect confidence in the red tape methods, as they might think them, of Government officials?—I think they will, because you will have the chief representatives of the leading charities on the council.

2285. With a council of nine they would be four to five?—If your Lordship asks is there any reason why these representatives of the leading charities should not be extended, I say, no, certainly not. You may swamp the Government officials if you like. I do not see any harm in that.

2286. Is it part of your creed that they ought to be swamped?—Not at all; I only put the Government officials there so that they may be in touch.

2287. But may it not be that the voluntary donors may not like to see the fund distributed out of a Government office; is it worth consideration whether that will increase enthusiasm?—But you see I govern the Government representatives to some extent by the council. What I mean is this: If you ask me whether voluntary contributions will come in if it is known that these pensions are going to be entirely administered by Government bodies, then I think my answer would be that I do not think they will come in; but if you have a council such as I propose representing the various military charities, and that council has some kind of control over the pension boards which are to be established, then, I think, once confidence is obtained you will get the money.

2288. So far as you have described your scheme, subject to the elasticity you mentioned, you do not give the control to the charitable bodies. But to come to another matter. Your central body would have two objects: the administration of existing funds or subscribed funds, and then as I understand also, to initiate appeals to the public for voluntary contributions?—Yes.

2289. Do not you think when a board with (0.21.)

Chairman—continued.

five Government officials on it made an appeal for voluntary contributions the public would say, you, the State, are paying a great deal; it is unbecoming for you State officials to appeal to us for aid; go on and make the whole payment yourselves?—I do not think so. Besides which you must always remember that the Government have left entirely out of their scheme doing anything whatever for the women off the married strength.

2290. That is not the point I am upon. The question is as to who is the proper person to ask for contributions from the public, whether it is the Lord Mayor or Chelsea Hospital which ought to make the appeal?—It is not Chelsea Hospital that would be appealing, it would be the council.

2291. But there are five Government officials on this council, and there would be five Government officials under their own names issuing the appeal?—It would come to this: that this council would do exactly the same as the Lord Mayor has done during this last war; that they would communicate our appeal to the Lords Lieutenant of the different counties, and it would be the Lords Lieutenant who would take action.

2292. In my view there is a great difference between the administration of a fund by a body of this kind, and appealing to the voluntary and generous feeling of the citizens of this country. It may be you are quite right, but I should have thought this body would be rather too official as a means through which to appeal to the public; however, that is a matter for consideration?—I put on the Government officials in order that they may be in touch.

Mr. Kearley.

2293. Has not the success of your association been mainly occasioned by its decentralisation? That is so.

2294. But are you not now proposing to set up a centralised body?—No.

2295. Surely that is so, is it not?—Not more than you might say the same because we have a council and executive at the head of our association.

2296. But the thing is quite different. Your council, as the head of your association, leaves a great amount of local freedom to your committees and so on. You do not attempt to dictate to the Lord Lieutenant as to what he is to do; you simply get this money collected—when he collects his money he can snap his fingers at you as he likes—you have no control, and you do not attempt it?—But our money is not being collected through the Lord Lieutenant as Lord Lieutenant.

2297. I understand that; but still you know the Lord Lieutenant, as a representative man, is the most eligible person to have in your local organisation?—Yes.

2298. You select him for that reason?—Yes.

2299. But he has great freedom of action?—Yes, no doubt.

2300. But, as I understand by this new committee of yours, you are going really to set up a sort of minor Patriotic Fund Commission. You nominate, out of nine members, five existing members of the Patriotic Fund Commissioners; for the Treasury, Sir Francis Mowatt is one of

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Mr. Kearley—continued.

the Patriotic Fund Commissioners in his official capacity, and the Secretary of State for War is another member; in fact, five of them are already on the Patriotic Fund Commission?—I have not got the list before me.

2301. There is the Accountant General of the Army; then there are Sir Evan MacGregor and Sir Francis Mowatt; then there are the First Lord of the Admiralty, the Secretary of State for War, and the Paymaster General?—Yes.

2302. What is going to attract the public confidence to this new body of yours in preference to the Patriotic Fund Commissioners as at present constituted?—Simply because this new body has representatives on its council of all the military charities, which the Patriotic Fund Commissioners have not.

2303. But supposing this Committee recommend that the various funds existing in the hands of the Patriotic Fund Commissioners are handed over, as regards the Naval part to Greenwich and the Military part to Chelsea, what would be the *raison d'être* of the Patriotic Fund to exist longer; you are rather assuming, are you not, that the Patriotic Fund Commission will still maintain its functions, and yet they will be asked to come and sit as a board of nine members and decide how to deal with their own concern?—No, I do not, because, although the Chairman has drawn out from me that the representative for widows and orphans might be at present one of the Patriotic Fund Commissioners, I have specially put it down as a representative for widows and orphans, which is a representative for pensions in the future; the Patriotic Fund Commissioners may not exist.

2304. I myself have not yet made out what you want this central committee to do?—You must form some committee or some central body in London to gather together all the supplementary funds, as we may call them, which are subscribed for widows and orphans.

2305. We are considering as to how that can be done at present with the existing organisation of Chelsea and Greenwich; you have heard what has been stated here?—Yes.

2306. Assuming we took those funds away from the Patriotic Fund Commissioners and other bodies, do you not think that Greenwich and Chelsea would be the most effective bodies to administer those funds?—Yes, certainly.

2307. Then your central committee need not be set up for that purpose?—No, because I have particularly stated here that pension boards in those two places should be set up for administering those funds.

2308. Do you contemplate your central body being established as a collecting body?—Yes.

2309. And to make appeals to the public?—Yes.

2310. With five Government officials upon the body?—If you like to put it in that way.

2311. Do you advocate the policy of having Government officials over such a body?—I do not advocate the policy of having Government officials, but I advocate the policy of having representatives on the body.

2312. But the public will very soon become acquainted with the names of those nine gentlemen. Then to come to another point, you prac-

Mr. Kearley—continued.

tically said just now that this body would supplement the Lord Mayor as regards appeals to the public?—Yes.

2313. Do you not think that the British people have more confidence in the Lord Mayor than in an official body of this kind; has anybody alleged that the Lord Mayor disposes of the money improperly?—No, certainly not.

2314. The money always pours in very freely when the Lord Mayor makes an appeal, does it not?—Yes.

2315. But you would stop him making any appeal?—No.

2316. You would have two collecting bodies?—You would have a great many collecting bodies, because you would have the Lords Lieutenant all over the kingdom collecting.

Chairman.

2317. This central body you refer to would be your body?—Yes.

Mr. Kearley.

2318. Has it ever occurred to you that there is no necessity for a central body at all for collecting purposes; what is the necessity for this brand new central body for collecting purposes?—My view is that if you had such a central body instead of these local bodies administering pensions all over the country they would send up the money if they knew it was going into some central fund, by which their people locally would be benefited by the whole amount which was collected.

2319. But there are no local bodies pensioning now?—Are there not?

2320. Where are they? we have had no evidence to that effect, on the contrary that idea has been dissipated?—Well, I will say relieving widows.

2321. Where, for instance?—Take Manchester. Are not Manchester doing anything for their widows and orphans, I think you will find they are.

2322. I understand they have not spent their money at all at present. Of course I am not giving evidence, but I suggest to you for the purpose of eliciting your opinion as to whether the best collecting body would not be some body which would come into play when circumstances arose, such as the Lord Mayors of the various large centres, and the county authorities, and the heads of the various counties, such as the Lords Lieutenant?—How are you going to get the funds raised for widows and orphans throughout the country into hotch pot?

2323. How did you get it during this war?—You have not got it in.

2324. You mean the central appeal through the Lord Mayor for widows and orphans, nine-tenths of the money which the Patriotic Fund Commissioners has at present has come to them through the Mansion House?—Certainly, but how much money is there about the country at present for widows and orphans?

2325. Very little, I should say?—I think there is a good deal.

2326. We have no evidence of it. Would you give us any information within your knowledge of the funds which are existing in the country

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at the present time which have been subscribed for the benefit of widows and orphans?—My answer to that question is a reference to the schedule issued by the Mansion House which you have before you, I think.

2327. You do not anticipate that this central council should hold the funds?—No.

2328. Having collected funds it should be clearly defined at the outset as to the final destiny of those funds, that they should gravitate to Greenwich or Chelsea?—Yes.

2329. Therefore it is a collecting body pure and simple?—Yes.

2330. Do you not think it would be better to employ the Lord Mayors of the various centres and the county authorities, and not have an official body?—Who is to start it?

2331. Who starts the collecting for the Soldiers' and Sailors' Families Association?—We do.

2332. But through your local committees and through the Lords Lieutenant of the counties?—Yes.

2333. You started in London?—Yes.

2334. You think it is necessary to have some central machinery ready to put the appeal in motion?—I do.

Colonel *Nolan*.

2335. I should like to ask one question about the central body. You say it should initiate these appeals?—Yes.

2336. But supposing a body calling itself the Ladies of Lanarkshire does not like some of your rules and started an appeal, would you have any control over such a body at your central body?—No, you can have no control over them.

2337. You could only send them a circular?—You would have to leave them alone if they chose to go their own way.

2338. You do not want any legal control over them?—No, certainly not.

2339. Might not the creation of your central council have the effect of taking away the responsibility from people; might not the Ladies of Lanarkshire or other people say, "There is no appeal from the central body, so we are not bound to bestir ourselves"; might it not have that injurious effect?—I do not think so.

Earl of *Dartmouth*.

2340. I think you were a member of Lord

Earl of *Dartmouth*—continued.

Derby's Committee that sat at the Mansion House periodically?—Yes.

2341. The idea, I think, of the central body there was very different to your own, was it not; the idea of a central body did not actually take form in that case, but my impression of the discussion was that it would assume a very different form from that which you now suggest. Was not that so?—I do not think so, only it went somewhat further than that.

2342. You do not suggest that there should be any representation of the local bodies on your central body?—No.

2343. None at all?—No.

2344. Yet you look to the Lord Lieutenant, or whoever it may be, to make the appeal in his county and to transfer the amount so collected to your central body to be administered by them?—Yes.

2345. And that the local bodies whatever they are should have no voice at all?—Just in the same way as in the Mansion House appeal the Lord Mayor appealed to the Lords Lieutenant.

2346. But let me point this out: In that appeal in my own individual case I know what happened—the Lord Lieutenant made an appeal for the four earmarked funds?—Yes.

2347. The only one of those four which the local bodies administered was the one which you represent—the Soldiers' and Sailors' Families?—Yes.

2348. My experience of it is that the result of the appeal was this: While we were able to collect thousands for the one which we administered ourselves, we had great difficulty in getting hundreds for those which we did not administer?—That is true.

2349. Would not the same effect follow now with regard to any future appeal made for funds to be administered by your central authority in London?—I do not think so, because I do not see how you are ever to administer pensions locally.

2350. Then we may divide it into the two heads of temporary and permanent relief, you would keep them absolutely distinct?—Absolutely distinct.

Chairman.

2351. We are very much obliged to you for the evidence you have given and for the assistance you have rendered us, and I hope you will not think we have cross-examined you too much?—Not at all.

The Witness is directed to withdraw.

COLONEL JOHN SMITH YOUNG, is re-called; and further Examined, as follows:

Chairman.

2352. WHAT have you been able to do for us in regard to the actuaries?—I am sorry to say that the pressure I have been able to put upon them has not yet produced their actuarial report; but I understand that the position is one involving exhaustive labour, because it is quite a new thing that is to be done, and it is being done by the council and not by one man.

Chairman—continued.

If it had been done by one man we might possibly have got out some report already, but it has been done by the Council of the Institute of Actuaries. It is a new thing in a certain sense in some aspects, and they have asked for information which is very voluminous, and consequently they are not able to give us the report yet.

2353. When

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Colonel YOUNG:

[Continued.]

Chairman—continued.

2353. When do you expect to obtain it?—I hope within the next fortnight. I will put on pressure again, I have done so already.

2354. I have no doubt you have. I wish these gentlemen would make haste for it is delaying us very much?—I will let the council know.

Mr. Kearley.

2355. Could you tell us what actuarial information we shall finally get in this report?—It will be a valuation of the assets and liabilities of the funds as they were at the 31st of December 1900.

2356. Of each fund separately?—Of each fund separately.

Chairman.

2357. What I thought we rather wanted to find out was whether there was any fund vested in existence which, after meeting all the liabilities, would leave a surplus which would be available for pensions?—That is so. It is to show you exactly what surplus money in capital may be available for any purpose which your Committee may think fit to recommend.

2358. You must please let these gentlemen know from the Committee that our action is now almost suspended by, I will not say their delay, but by this want of information, and they must let us have it at the earliest moment; they must put on the whole council if it is necessary?—I will let the council know the wish of the Committee.

Mr. Kearley.

2359. Surely Mr. Finlaison had all his valuations up to date at the time he died; it is not a question of going through the whole thing *de novo*, but it is merely adjusting the valuation as between the time Mr. Finlaison ceased to act and the present moment, or the end of the financial year?—That may be your point of view and my point of view, but the point of view of the Institute of Actuaries is this: that they must be particularly careful in making the valuation because, as you know, a little doubt was thrown upon Mr. Finlaison's valuations, and in their letter to us they said that they desired for that very reason to be very careful in making their valuations, and to render a service to their country by stepping forward as a body to make the valuation.

Chairman.

2360. I suppose these gentlemen are doing the business in their own way, but would you represent to them as strongly as possible that we want this evidence at once?—I will do so.

Mr. Kearley.

2361. Are they having full access to your books or are they simply accepting the schedule supplied by you?—They are having every information that they desire. I said to them expressly, if the information that has been furnished to Mr. Finlaison is not adequate you have only to ask to have more, and they have asked for more information and have got it.

Chairman.

2362. I am sure you will let them have every access to the books?—Certainly, every access.

Chairman—continued.

2363. Have you anything further you wish to state to the Committee; your evidence has been very full, I think?—Perhaps I might refer to what fell from Colonel Nolan with regard to the case of women off the married strength.

2364. Certainly, if it is not too controversial?—It is not controversial. I merely wish to make this observation to assist the Committee, it is simply this. The question of on and off the strength is partly disciplinary so far as the War Office is concerned. They have decided that those off the strength shall not have State pensions. The Patriotic Fund Commissioners have been asked by the War Office what they will do for those off the strength, and they pledged themselves publicly that from the funds which they obtained from the public through the Lord Mayor, which amount to about 400,000*l.* now, they will level up the widows off the strength to exactly the same position as those on the strength; and that means a very great deal. The Patriotic Fund Commissioners will supplement the pensions of those on the strength, so that supposing the pension is 5*s.* and we give 3*s.* supplemental pension, to a widow off the strength we give 8*s.* So that I venture to hope there ought to be no apprehension in the minds of anyone here that any widow off the strength will be worse off than those on the strength.

2365. Your intention is to place widows off the strength in the same position as regards pension as the widows on the strength from all sources?—Quite so.

2366. Have you funds in your hands to do that?—We have confident hope that we have funds; but we have also confident hope that, whether the Patriotic Fund exists or does not exist, the public will respond adequately. There has never been any want of adequate funds where there has been adequate reason.

2367. Have you any rough idea of the number of widows existing since the war off the strength?—As I told the Committee on the last occasion, we have furnished the War Office with a complete list of widows and orphans resulting from the war up to date, and they were to repay that information by giving us the information as to those to whom they were granting State pensions. They have not communicated that yet, but, so far as the information goes, it goes to show that there are very few relatively who would be off the strength. Perhaps I may explain that further, because it will answer something which fell from another honourable Member on the Committee. The Government have included as on the strength all the Reservists and all the embodied Militia and all the Yeomanry and all the Volunteer Service Companies, so that there are really very few who are left in the position of those off the strength to whom Colonel Nolan referred.

2368. The married establishment consists of a certain percentage, does it not?—Yes, the married establishment consists of a percentage—I think it is six per cent.—of the rank and file; and then all the staff, non-commissioned officers, colour sergeants, and part of the sergeants are on the married establishment. It simply means that so many out of the whole establishment are allowed

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Colonel YOUNG.

[Continued.]

Chairman—continued.

allowed by Parliament as the married establishment.

2369. About six per cent. of the privates?—About six per cent.

Mr. Kearley.

2370. About six per cent. are allowed to marry?—What Colonel Nolan referred to was that there are very deserving women who have got the commanding officer's permission to marry, but who (the married establishment being full) have to wait their turn to come on to the married establishment.

2371. But we are only dealing with those officially recognised as married, and we understand that it is about six per cent.?—Yes, six per cent. of the rank and file.

Colonel Nolan.

2372. Is it not the case that what determines the married strength is the number of those who can be maintained decently in the company by finding employment in washing and so on, and also the number that can be conveniently transported on board ship, and that it is not a question of pensions at all?—Of course the question of pensions has never come up until this war. As regards the question of the married establishment, so far as my experience of 27 years and also as a commanding officer went, it was governed very much by questions of finance, that is to say, that the War Office and the Treasury agreed upon what they would accept as the responsibility for a married establishment, and these percentages have been fixed entirely upon those principles, which everyone connected with the administration of the Army and the Navy is familiar with as between the Treasury and the War Office.

2373. But what governs the determination of the strength is really the number that can be decently maintained in the company, or can be transported on board ship; is not that so?—I do not think that has anything to do with it. The question of additional quarters and allowances may have something to do with it, but then again there are an immense number who are getting lodging allowance. I believe it is purely a question of finance.

2374. Finance is rather a wide term, how does the consideration of finance apply?—If, for

Colonel Nolan—continued.

instance, you make it 10 per cent. out of 1,000 there is 100 whom you would have to provide either with quarters or allowances, but if you fix six per cent. you get only 60.

Mr. Kearley.

2375. Of the remaining 94 per cent., how many do you reckon are married? You say six per cent. are on the married establishment. Of course the remaining 94 per cent. are not married off the married establishment, how many would you say it would be?—You mean of the rank and file?

2376. Yes?—There you are asking me to dive into an unknown quantity.

2377. We have asked you indirectly the same question; we have asked you how many were married off the strength. Do you say you cannot reply to that question?—I will give you a shot at it. I should say less than 25 per cent. of the whole.

2378. Do you mean less than 25 per cent. of the 6 per cent.?—We are taking different units; I am speaking of 25 per cent. of the whole of the widows of this campaign; that is how I understood your question.

2379. When you spoke about 6 per cent. being on the married establishment, one would rather assume, unless one had special knowledge, that the remainder were married off the strength; that is not so, of course?—I think the honourable Member is falling into error as to what the 6 per cent. is calculated upon; the 6 per cent. is 6 per cent. of whatever is the rank and file of the battalion.

2380. I understand that clearly, but what I wanted to get clear was this; about how many do you reckon would be married off the strength out of the 94 per cent. which remain?—I answered that when I said that that is absolutely an unknown quantity.

2381. We may take it that there are far less married off the strength than those married on the strength?—I think so.

2382. It must be so surely, otherwise you would not be able to provide pensions for them?—Yes.

Chairman.

2383. Besides, you have given an estimate that out of the whole of the widows you think 25 per cent. are married off the strength?—Yes.

The Witness is directed to withdraw.

Ordered, That this Committee be adjourned to Tuesday, 25th instant, at Eleven o'clock.

Die Martis, 25^o Junii 1901.

MEMBERS PRESENT :

Marquess of BATH.
Earl of DARTMOUTH.
Earl of MALMESBURY.
Earl of WESTMEATH.
Lord NEWTON.
Lord JAMES.

Mr. ARCHDALE.
Mr. BARTLEY.
Mr. HOZIER.
Mr. HAYES FISHER.
Mr. KEARLEY.
Mr. LAMBERT.
Colonel NOLAN.

THE RIGHT HONOURABLE THE LORD JAMES OF HEREFORD IN THE CHAIR.

SIR ALFRED NEWTON, BART., is called in; and Examined, as follows :

Chairman.

2384. WHAT was the year you were Lord Mayor?—1899–1900.

2385. It was, we know, in October, 1899, that the war in South Africa commenced. I believe you immediately took steps towards making a national collection of funds to meet the wants of sufferers by the war?—My predecessor, Sir John Moore, inaugurated a fund for that purpose.

2386. In October?—Yes.

2387. You carried it on?—Yes.

2388. I must inform you that this Committee have only to deal with the question of widows and orphans, we do not go into any other question whatever, and, therefore, I have only a very few questions to ask you in respect to the widows and orphans. I believe the sum collected during your mayoralty was 1,123,000*l.*?—That is correct up to to-day.

2389. You received certain sums of money, using a general term, from abroad, from the colonies and dependencies?—Yes, from our colonies.

2390. How much did you receive first from our Colonies?—£150,206, of which sum 54,321*l.* was earmarked to go direct to the widows and orphans, per the Patriotic Commission.

2391. It was not earmarked, I understand you, for Colonial widows and orphans?—Oh, no, not in the least.

2392. It was the wish of the contributors that the widows and orphans should receive that sum?—Precisely. I think I ought to say, with regard to that sum, that an application was made from Melbourne to consider the propriety of contributing to the Australian widows and orphans, and in compliance with that suggestion I returned to them, or rather remitted, 10,000*l.*

2393. I will come to that. First, can you at all differentiate the sources from which you received that 150,000*l.*—how much came from Australia, and how much from Canada: did any (0.21.)

Chairman—continued.

come from India?—I have those particulars, and I will hand them in.

2394. Can we have them?—Yes. I understand that the abstract has been made, but, unfortunately, it is not here; it can be sent in.

2395. I think the Committee would be glad to have that. Did any of this 150,000*l.* come from India?—We had considerable sums from India, but they are not included in the 150,000*l.*

2396. You had this sum earmarked for widows, but how much have you spent in aid of widows and orphans separately from other objects of bounty?—There was handed to the Patriotic Fund 443,052*l.*

2397. That, I think, was the sum that went for widows and orphans earmarked for the purpose?—Earmarked.

2398. I should like to have from you, please, what did you send back to the Colonies. I think it was 10,000*l.* you sent to Melbourne?—£10,000 was sent to Melbourne.

2399. You sent that for objects at large; that was not for widows and orphans?—For widows and orphans and wounded soldiers.

2400. Has any other sum been sent for Colonial purposes?—Some considerable sums have been remitted to the Colonies from the Lord Mayor's Discretionary Fund.

2401. That, I think, amounted to 213,000*l.*?—Not so much as that; nothing like such a sum as that.

2402. What is the meaning of this: "Mansion House, London, 24th June, 1901. Lord Mayor's Transvaal War Fund, No. 5. The Lord Mayor's Discretionary Account, 213,399*l.*"?—That was the total sum at the Lord Mayor's discretion.

2403. I am speaking of your total sum?—I understood you to say the amount that had been remitted to the Colonies.

2404. I asked you whether your Discretionary Account did not show an amount standing at the

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Sir A. NEWTON, Bart.

[Continued.]

Chairman—continued.

the disposal of the Lord Mayor of 213,000*l.*?—That is so.

2405. And out of that 213,000*l.*, how much went to the Colonies?—£10,000 was the largest sum remitted, and I should say probably 3,000*l.* or 4,000*l.* to meet special cases that were brought to my knowledge.

2406. That is in addition to the 10,000*l.*?—Yes.

2407. What was this second 10,000*l.* and the 3,000*l.* or 4,000*l.*? Were those sums for widows and orphans?—The 10,000*l.* was remitted for widows and orphans; the 2,000*l.* or 3,000*l.* would be sent for various special cases not exclusively connected with widows and orphans.

2408. You have spoken of two sums of 10,000*l.*—one to Melbourne, and a second 10,000*l.* Were they both for widows and orphans?—There was only one 10,000*l.*

2409. The others were at large, and were not to go to the widows and orphans?—Yes.

2410. Is your Fund closed?—No, it is not closed.

2411. Out of the 1,123,000*l.* you received have you got any exact statement as to how much the contributors devoted to objects such as widows and orphans?—Yes. I point out that 443,000*l.* of that amount was specifically allocated for widows and orphans.

2412. I know you sent that to the Patriotic Fund, but was that all in consequence of the express wish of the contributors?—Precisely.

2413. Did the Patriotic Fund Commissioners make any suggestion for collection through you?—Originally the Patriotic Fund Commissioners applied to the Lord Mayor to open a subscription.

2414. Did the contributors request payment to the Patriotic Fund of any sum?—Precisely.

2415. Of how much?—Of this 443,000*l.*

2416. Then the Patriotic Fund request must have been for widows and orphans?—Precisely.

2417. And in answer to that request, special sums were sent by the contributors?—Precisely.

2418. Has any amount come in lately or since this was sent to the Patriotic Fund for widows and orphans?—Donations are still being received by my successor, but the 443,000*l.* includes all amounts received to this date for widows and orphans.

2419. If it goes to the Patriotic Fund it goes to widows and orphans?—Precisely, the Patriotic Fund Commissioners deal only with widows and orphans.

2420. Your view, as I understand, is that the Lord Mayor is the best collecting agency for a national collection?—Undoubtedly.

2421. Will you state your reasons for saying that, please?—The public generally have the greatest confidence in the allocation by the Lord Mayor of such sums as are sent to him. When the Lord Mayor makes an appeal it is seconded at his request throughout the country by the Lord Mayors, Mayors, and Provosts in the great centres and in smaller places as well.

2422. That may be for collection; what agency has the Lord Mayor for distribution or inquiry?—The Lord Mayor has no agency whatever for distribution. When a fund is commenced at the Mansion House it is for some express and specific

Chairman—continued.

purpose; the Lord Mayor is merely the collector to hand over the fund to the particular object or institution which is to be benefited.

2423. Does not the Lord Mayor select the institution; the majority of the funds sent in must be sent in for general purposes?—The Lord Mayor would not open a fund unless he was absolutely satisfied of the *bona fides* of the institution requiring assistance.

2424. Excuse me; what I mean is this: you open a fund for the general relief of widows and orphans, soldiers disabled, and for families of soldiers and sailors: having got that money, you must, I suppose, exercise your discretion as to the means by which, and channels through which, you distribute it?—No; there was no discretion to be exercised, because the subscriptions were invited for these express purposes—first for widows and orphans and for others which I need not go into. Then at a certain date there was a conference at the Mansion House, at which the then Under-Secretary of State for War attended, and there were also representatives of all the branch societies and other collecting funds, when the result of the collections made up to that time showed a preponderance in favour of widows and orphans, and I was advised that it was desirable that that particular fund should not be further increased. Thereupon it was decided that such sums as arrived at the Mansion House not specifically earmarked or directed to any particular fund should be at the discretion of the Lord Mayor; that is, the disposal should be at his discretion.

2425. For instance, you sent 196,000*l.* to Colonel Gildea's society, the Soldiers' and Sailors' Families Association?—Yes.

2426. Did you select, in the exercise of your discretion, that association to be the channel of distribution?—Not entirely, my Lord, because on the original invitation for the public to subscribe it was pointed out that there were four classes to be benefited, widows and orphans, sick and wounded, disabled soldiers, wives and children of the soldiers and sailors; and donors were requested to state to which of these several funds they wished their subscriptions paid; therefore a great portion of that sum was—

2427. But you said you were dealing with funds that were not earmarked; surely it must be clear you thought the Soldiers and Sailors' Families Association the best means of distribution?—Undoubtedly.

2428. And you selected that association?—I selected it, but not to the entire extent of 196,000*l.* The 196,000*l.* was the sum sent with the express instruction to hand it over to the Soldiers and Sailors'. Now, out of the Discretionary Fund I awarded to the Soldiers and Sailors' Association 110,000*l.*

Mr. Bartley.

2429. In addition?—In addition.

Chairman.

2430. The only point I want from you, if you please, is that you as Lord Mayor have no actual machinery for distribution under your immediate and personal control, but you have to go to associations which you select for the purpose

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[Continued.]

Chairman—continued.

of distribution?—That is so; there was an exception in this case, because this large sum of 213,000*l.* was placed absolutely at the Lord Mayor's control. Of that sum I awarded to the Soldiers' and Sailors' Association 110,000*l.* There is a balance-sheet here which shows exactly what the total receipts were, and exactly how the Lord Mayor's Discretionary Fund was disposed of (*handing in the same*).

2431. This 110,000*l.* is additional to the 196,000*l.*?—Yes.

2432. I may take it that there are a very large number of well-known institutions that do not seem to touch in any way the widows and orphans?—Precisely.

Colonel Nolan.

2433. I would like to know if the total money that went to widows and orphans is represented by this 443,000*l.*?—That is the total sum.

Mr. Hozier.

2434. Who selected the Patriotic Fund to represent the widows and orphans; who selected the British Red Cross Society to represent the sick and wounded; who selected Lloyd's Patriotic Fund to represent the disabled soldiers; and the Soldiers' and Sailors' Families Association to represent the wives and children of soldiers and sailors?—They were all recognised institutions at the time the fund was opened, and they requested the then Lord Mayor to open these funds, and to ask specifically for contributions in aid of their particular institutions.

Chairman.

2435. I understood that the 443,000*l.* given to the Patriotic Fund were subscriptions collected at the suggestion of the Patriotic Fund, and that the contributors sent them through the Lord Mayor to the Patriotic Fund; so it was not quite with regard to that sum a question of selection, but a question of earmarked destination?—That is so, precisely.

Mr. Lambert.

2436. Who assists the Lord Mayor in dividing these various collections to the various societies to which they have been given; does the Lord Mayor act absolutely on his own initiative, or is he assisted by a Committee?—There is no Committee whatever.

2437. So that the Lord Mayor practically has control of these funds and he can give them to whom he pleases?—That is only in connection with the Discretionary Fund.

2438. Did all the people who subscribed for widows and orphans, or sent the money to the Lord Mayor's Transvaal War Fund to be earmarked for widows and orphans, say that that money was to be spent by the Patriotic Commissioners?—They do not in express terms state: "This is to be applied to the Patriotic Commission," but in remitting the amounts they stated either "this is for Widows and Orphans" or "the Patriotic Fund."

(Q.21.)

Mr. Lambert—continued.

2439. Or the Patriotic Fund?—Or the Patriotic Fund; some made use of the term "Patriotic Fund"; others of the term "Widows and Orphans."

2440. As to those that made use of the term "Widows and Orphans," what made you consider the Patriotic Fund the best agency for distributing these funds?—Because it is the only fund that has to do with soldiers' and sailors' widows and orphans, and therefore it follows as a matter of course that contributions for such widows and orphans must go to the Patriotic Fund.

Chairman.

2441. Is not there a misunderstanding; you said twice you did not select the Patriotic Fund, and that it was the contributors who selected them; what is the fact, Sir Alfred?—The contributions received at the Mansion House stated in express terms to what particular purpose their money was to be allotted, and in accordance with those instructions these amounts were put to the credit of the Patriotic Fund, the British Red Cross, and so on.

2442. Did the contributors give directions that the 443,000*l.* should go to the Patriotic Fund?—Certainly not.

2443. Then what directions did they give?—There was no specific instruction received that this sum of 443,000*l.* should be handed over to the Patriotic Fund; it was handed over to them as it arrived piecemeal.

2444. There is a misunderstanding; I have asked you the question twice; the Patriotic Fund started you and made an application to you as we heard from the Duke of Cambridge; then you issued your appeal, and in answer to that you stated that the contributors sent you a sum to go to the Patriotic Fund?—Precisely.

2445. How much was that fund?—£. 443,000.

2446. That is what you have said twice?—

Earl of Dartmouth.

2447. I think I can help to clear this up. I think the course that was followed after your meeting was that you sent round to all the Lord Mayors, Lords-Lieutenant, and persons at the head of boroughs or of counties, a request that they should start subscriptions in their various localities for these various heads that are named here?—Precisely.

2448. And in each locality the amount that was earmarked for either one, two, three, or four of these things was sent to that particular fund?—Precisely.

Mr. Lambert.

2449. I was wanting to get at why it is that the public subscribed 443,000*l.* to be administered as I understand it by the Patriotic Fund; is that a fact?—It is certainly the case; there is no question whatever about it.

Earl of Dartmouth.

2450. That is the combined collection of the various counties and other authorities?—There is no doubt the public deliberately subscribed this sum of 443,000*l.* to be disposed of by the Patriotic

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[Continued.]

Earl of Dartmouth—continued.

Patriotic Fund Commissioners in express and clear terms; there can be no doubt about it.

Mr. Lambert.

2451. They put it in their letters with which you received their contributions?—Precisely; that is also very clear. There can be no question about that.

Mr. Bartley.

2452. In reference to the Discretionary Account did you consider the claims made by individuals?—Many individuals.

2453. How was that done?—It was by a very exhaustive process of inquiry and research, and satisfying myself that the objects were worthy of assistance, and the sums contributed range from small amounts to substantial sums.

2454. Was there any committee or local authority to help you?—No committee whatever; it was entirely on my own personal responsibility. When I say "personal responsibility" I mean the responsibility as Lord Mayor.

2455. Did these applicants apply individually themselves to you?—Probably the application would be made direct by the individual, but generally through persons who were interested in the applicants getting relief and assistance.

2456. About how much was allocated in that way, roughly, of the 213,000*l.*?—What I may term personal grants amounted to 2,124*l.* under the heading of Grants to Relations of Officers and Men Killed and Wounded in the War, and to Wounded Officers, &c. May I just at random give you a case: "April 4th. By amount forwarded to Miss Lawrence, 4, Prince's Gate, S.W., on behalf of the Misses Goldswain, the three sisters of Private Goldswain, late of the Oxfordshire Light Infantry, killed in action at Paardeberg, February 18th, 1900. He had rejoined his regiment as a reservist, having previously contributed to the support of his sisters—30*l.*" I take that at random.

2457. You considered those cases yourself, without any local assistance?—Yes.

2458. And about 2,000*l.* or 3,000*l.* was expended in that way?—A sum of 2,124*l.*

2459. Were they practically all in London?—Oh, no.

2460. Of course, if they were out of London, you must have had some agent?—Undoubtedly. The application probably would be made by a clergyman or by some benevolent lady well known. In some cases the application was made through the "Daily Telegraph." They said: "This is a very hard case, but our funds do not allow us to help it." By that same rule, through Colonel Gildea's Soldiers' and Sailors' Families Association, we had recommendations. We had recommendations from various benevolent institutions who were unable themselves—their constitution being framed in such a manner—to use their funds. They admitted that these were very distressing cases, but they had not the power to relieve them, and that was where the Lord Mayor's Discretionary Fund came into operation.

2461. I suppose you would think such a system as that would only do on an emergency?—Precisely.

2462. You do not suggest?—Oh, dear no,

Mr. Bartley—continued.

I would not for a moment recommend that such a responsibility should be cast upon the Lord Mayor.

2463. It was merely on the emergency of the time?—It was merely the emergency of the time. There was one very distressing case came before me of an old lady who had several sons—I think no less than seven sons—in the Army, and, I think, four of them were in South Africa. She had been in the habit of receiving some assistance from them, but these several sources were exhausted, and the old lady was in a very distressed state. I think she was nearly 70 years of age, and she must have gone into the workhouse. In that case I at once purchased an annuity for her.

Mr. Kearley.

2464. I do not think the Committee is quite clear as to what happened when the first appeal was made to you to open a fund by the Duke of Cambridge as President of the Royal Patriotic Fund Commissioners, and the subsequent action arising out of that letter you received as Lord Mayor. I want to ask you this: In the first place, the Duke of Cambridge wrote a letter to your predecessor asking him to "open a fund for the benefit of widows, orphans, and other dependents of those who may lose their lives by wounds or disease in the war operations in South Africa?—Yes.

2465. And His Royal Highness claimed that the Patriotic Commissioners had been entrusted by Parliament with the responsibility of appealing for funds; then your predecessor wrote a reply, or rather issued a manifesto to the Press?—Yes.

2466. In which he said that this appeal had been made to him, but that he proposed, "in order to give the public the widest scope for their benevolence, that contributions for widows, orphans, and other dependents of those who may lose their lives shall be handed to the Patriotic Fund Commissioners for administration"; that the fund for sick and wounded should be handed over to the British Red Cross Society; that the fund for soldiers disabled by wounds should be given to Lloyd's Patriotic Fund; and that the fund for wives and children should be handed over to the Soldiers' and Sailors' Families Association?—Yes.

2467. What I want to make clear is this: that your predecessor did not accept the appeal of the Duke of Cambridge to collect a fund purely for widows and orphans, but he of his own responsibility then and there decided to widen the scope of the moneys given, but at the same time to ask the contributors to earmark the particular fund to which they would like the money given?—I believe the reason why the appeal was apportioned under these several headings was owing to the representations made to the then Lord Mayor by the Soldiers' and Sailors' Families Association and by the Red Cross Society and so on. I think it was known that an appeal was about to be made, and, therefore, it was necessary that they as well should participate in the appeal.

2468. As a matter of fact, I believe I am correct in stating that although the Patriotic Commissioners were the first to get publicity for their desire

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[Continued.]

Mr. Kearley—continued.

desire that you should collect funds, these other bodies had approached you before the Duke of Cambridge wrote, that is to say, the Association in connection with Soldiers' and Sailors' Families had been in communication with your predecessor?—I am unable to say that, but I believe it was well known that an appeal was about to be made, and it was thought that these other institutions must also participate in the appeal as well as the Patriotic Fund.

2469. When the Lord Mayor assumed the national responsibility of collecting these funds he did not consider himself in any way the servant of the Patriotic Commissioners or of anybody else; he stood there as Lord Mayor in a national position as the collector for various purposes in connection with this war?—Yes, but on the distinct and clear instructions that the amounts contributed under these several headings were to be handed over, first to the Patriotic and then to the other associations.

2470. To the respective bodies that you had accepted?—Precisely.

2471. You mentioned your Discretionary Fund, that that was to be absolutely at your discretion to give the money as you chose, but that is not quite historically accurate, if you will allow me to say so; the balance of the money not earmarked was originally intended according to your predecessor's manifesto to be handed over to the Patriotic Commissioners for the benefit of widows and orphans?—That is so, certainly.

2472. Is not this true, that there was such an expression of public opinion that the Patriotic Commissioners should not have the monopoly of this money, that you or your predecessor first of all came to a clear understanding with them, to which you gave publicity, that they had undertaken contrary to their past policy that every penny subscribed, capital and interest, should be exhausted on behalf of those for whom it was subscribed; is that a true statement?—Yes, there are certain elements of fact about that. I mean to say these contributions received at the Mansion House were handed over to the Patriotic Commission on the clear understanding that it should be expended, capital and interest.

2473. Yes, but my point is that you deliberately had to go and make that bargain before you could restore public confidence?—I would not go so far as to say that.

2474. Then I will go back once more to the Discretionary Fund: it is the fact that your predecessor put into writing, and put into his manifesto, that all surplus sums not earmarked for these particular objects should revert to the Patriotic Commissioners for the benefit of widows and orphans?—That was so in the original appeal.

2475. But you changed that altogether, and I ask you whether you did not change that determination in response to the protest of the Press of the country, and the information that came to you, that if the Patriotic Commissioners were to administer this money the public would not subscribe?—No, that is not the case. The Under Secretary of State for War at the Conference at the Mansion House, at which several representatives of the funds were present, clearly stated

Mr. Kearley—continued.

that so far as they could see there was a sufficient provision for widows, and, therefore, it was not necessary that these unearmarked amounts should go to the Patriotic Commission; he was very strong on that, and it was then suggested that there were many many claimants or persons entitled to relief who would not come under the heading of any of these funds, and that if the Lord Mayor would undertake the disbursement of these unearmarked amounts it would meet a great want.

2476. Of course, at the time you had this conference with the Under-Secretary of State for War, those were the early days of the war?—The early days.

2477. And it could not be foreseen as to what the loss of life would be. The 450,000*l.* which is the full amount that has been given for the benefit of widows and orphans is altogether an inadequate sum to meet the demand?—Undoubtedly, as things have unfortunately turned out.

2478. Although you are not one now, you yourself have been a Patriotic Commissioner?—*Ex officio* as Lord Mayor.

2479. Therefore you must have some knowledge of the working of the Patriotic Fund. Are you aware that in the Crimean War 50 years ago the public subscribed a million and a half on behalf of widows and orphans?—Yes. I was a member of Lord Justice Henn Collins' Committee, and therefore this evidence came before me.

2480. And 50 years afterwards, when the country was much richer, it only managed to subscribe 450,000*l.* for widows and orphans. Can you give any explanation of that? Have you formed any opinion as to why the contribution was so small?—I suppose it is a matter of common repute that the Patriotic Commission is not held in that sanctity which probably it ought to be.

Colonel Nolan.

2481. May I ask one question as you have had such experience in collecting large sums: After all would not more money be got in fighting a first class power than in fighting a third class power?—I think there is no limit to the capacity of the Mansion House organisation to collect money if the nation approves; I can imagine nothing to compete with the Mansion House and its organisation for collecting money in cases of national emergency, or any great national misfortune. To my mind it would be a fatal mistake to dispense or to attempt to dispense with the prestige and influence of the Mansion House in making national collections.

2482. That is a very good answer, and I am very glad you have given it, but the question I put exactly was, do you not think it would give greater stimulus for a large subscription if the country was fighting a first class power compared with fighting a third class power?—I presume that in accordance with the gravity of the requirements the nation would rise.

Chairman.

2483. Do you know the number of widows and orphans at the time of the Crimean War?—I am afraid I cannot give the number.

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Sir A. NEWTON, Bart.

[Continued.]

Colonel Young.] The number was 3,700.

Mr. Lambert.] Could Sir Alfred give us the original manifesto of his predecessor.

Chairman.] It had better go on the Minutes.

Witness.] In reference to the discretionary amount there have been considerable sums devoted to orphans from the discretionary amount in the shape of providing education and maintenance at certain soldiers' orphan schools. I think something like 60 or 70 orphans have been so maintained.

Mr. Lambert.

2484. This information which has been handed in only gives the appeal of the Lord Mayor in response to the request of the Duke of Cambridge; it does not give the correspondence which occurred afterwards in which you changed the destination of the funds?—No, in reference to the un-earmarked subscriptions that was the subject of an advertisement.

2485. Have you the letter you wrote to the papers?—It was an intimation to the effect that having regard to the information given by the Under Secretary of State for War un-earmarked contributions would, instead of being allotted to the Patriotic Fund, be allotted to the Lord Mayor's Discretionary Fund. That was done after consultation, as I told you, with the Under Secretary of State for War, and the representatives of the branch societies.

Chairman.

2486. (*Handing a document to the witness*). Just take that in your hand: Is that letter dated 21st October 1899, the letter of your predecessor the then Lord Mayor of London?—Yes, and it is as follows: "The Mansion House, October 21, 1899. To the Editor. Sir,—In response to the accompanying appeal from H.R.H. the Duke of Cambridge, I have consented to open a fund for the benefit of the widows, orphans, and other dependents of officers and men of Her Majesty's Forces who may unfortunately lose their lives in the war operations in South Africa. At the same time, I think it right to say that there are cognate objects for public philanthropy in connection with our gallant troops engaged in those operations. I allude to the soldiers themselves, who may get disabled by wounds, and the wives and children separated at home here from their husbands and fathers by the exigencies of the war. I therefore propose, in order to give the public the widest scope for their benevolence, that contributions for widows, orphans, and other dependents of those who may lose their lives shall be handed to the Patriotic Fund Commission for administration; those for sick and wounded while under treatment to the British Red Cross Society; those for soldiers disabled by wounds (for their benefit after they leave the Service) to that excellent organisation, Lloyd's Patriotic Fund, founded in the City in 1803; and those for wives and children separated to the Soldiers and Sailors Families Association. All contributions should, therefore, be clearly indicated by donors as follows: (1) Widows and Orphans; (2) Sick and Wounded; (3) Disabled Soldiers; (4) Wives and Children. Any not marked will be handed over for the benefit of widows and orphans, as it is upon the Duke of

Chairman—continued.

Cambridge's appeal that I ask the public to give liberally. As this is a national emergency, I would earnestly invite the co-operation and assistance of my brother mayors, to whom I have already had occasion this year to apply for help in other matters. Donations may be sent to the Secretary's Office, Mansion House, or to the Bank of England, to the credit of 'The Transvaal War Fund.' I would especially request donors to send their contributions in such a way that they may not be confused with the simultaneous appeal for the Transvaal Refugees' Fund, which in spite of its great success, is still urgently in need of assistance. I am, Sir, your obedient servant, John Voce Moore, Lord Mayor." May I remark incidentally as the result of a question asked me as to the absolute discretion of the Lord Mayor in reference to the Discretionary Fund, of course that position sprang up, as it were, and it is a position I should by no means recommend to any of my successors, I think the responsibility is much too great, but if the Central Council is firmly established then I think that Council would be in a position to advise and recommend the Lord Mayor how to apply such a fund, assuming a discretionary fund is again opened at the Mansion House. I have now found the letter written to the newspapers diverting the earmarked funds.

Chairman.] That is the letter Mr. Lambert is asking for. (*It is handed to the honourable Member.*)

Mr. Lambert.

2487. Your letter, which is dated 8th December 1899, says: "I beg, therefore, to take this opportunity of notifying to future subscribers that in those cases where specific instructions do not accompany remittances I hold myself at liberty to apply them in the way I may be best advised for relief of distress arising from the present war." When that appeal was made by you did contributions come in earmarked or non-earmarked?—They continued to come in practically in the same way; many subscriptions then came in specially directed to the Lord Mayor's Discretionary Fund.

2488. They came in specially?—Some.

2489. Can you give us any idea of the proportions of the amounts that came in earmarked and non-earmarked?—I am afraid I could not do that, it would involve considerable toil.

Chairman.

2490. Just to follow that up, would you say whether or not all the money that came in earmarked for widows and orphans has been paid over to the Patriotic Fund except small sums?—Absolutely, yes. The letter which I have just handed in, dated 8th December 1899, was the letter issued by me altering the scheme of destination of un-earmarked amounts, and it is as follows: "Sir,—At to-day's conference the application of this fund was fully discussed. It was strongly urged, among other equally landable suggestions, that a substantial sum should be allocated for the benefit of our colonial troops, and that our disabled soldiers and sailors in particular should be especially cared for. In my opinion, these suggestions will recommend themselves to all contributors."

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[Continued.]

Chairman—continued.

contributors to the fund, but it is my duty to point out that all donations received up to now have been subscribed on certain conditions, which (it may be held) do not meet these or similar cases. Of the splendid patriotism and benevolence displayed throughout the Empire we are justly proud, and our anxiety should now be directed that the fund should be so applied as to embrace within its scope the claims of such established and recognised institutions as have for their object the amelioration of the conditions of those who have suffered in the cause of Queen and Country. To achieve this result it is highly desirable that where no special instructions are given by donors the Lord Mayor should have power so to apportion the subscriptions received by him as to benefit, among others, such institutions, for instance, as the Princess Christian's Bisley Homes for Disabled Soldiers and Sailors. I beg, therefore, to take this opportunity of notifying to future subscribers that in those cases where specific instructions do not accompany remittances I hold myself at liberty to apply them in the way I may be best advised for the relief of distress arising from the present War. I am, Sir, Your obedient servant, Alfred J. Newton, Lord Mayor, Mansion House, December, 8th."

Mr. Kearley.

2491. When you collect funds for outside purposes, and when I say outside purposes I mean quite apart from the war; for instance, you or your predecessors collected very large sums of money in connection with the Indian Famine and so on. Can you tell me whether you have any voice in the organisation of the distribution?—No.

2492. If you have no voice in the organisation do you satisfy yourself that the body that appeals to you is competent to discharge it.—Undoubtedly.

2493. May I suggest then that you have a voice in the organisation?—To that extent.

2494. I want to make it perfectly clear if I can to the public, or at all events to this Committee, that when the Lord Mayor undertakes to collect money he takes good care that it is properly distributed in the ordinary way. We shall be considering here presently as to the future collection of money, and as to the necessity or otherwise of some central body being entrusted with the responsibility, and I suggest to you, with your great position, and being in the midst of a sensible community of business men, you would be thoroughly able at all times to see that

Mr. Kearley—continued.

there was organised under your supervision, direct or indirect, a competent body to discharge the obligation of distributing the money subscribed by the public to the public's satisfaction. —Of course unless the Lord Mayor were satisfied in the first place of the *bond fides* of the institution and of its power properly to distribute, he would never undertake the collection of the money; that goes without saying. Many applications are made to the Lord Mayor, not only for public appeals but also to lend the influence of the Mansion House for meetings, and many of these applications he declines. You may take it at once that any institution that has the benefit of either appealing through the Lord Mayor to the public or even having meetings at the Mansion House, is an institution of repute properly managed and organised. I think we are very careful indeed about that.

2495. I suggest to you that the public having such absolute confidence in the Lord Mayor as a collecting agency, they would also have the fullest possible confidence in the Lord Mayor (he reigns for a year, and there are new ideas and new men coming in) with regard to any organisation made by the Lord Mayor to meet the necessities of distribution of any particular fund that he happened to collect during his tenure of office?—I think the public would be perfectly satisfied with that from past experience; I think there is no doubt about that.

2496. Would it be asking you too much to express an opinion as to whether that class of organisation set up from time to time would not be preferable to a centralised organisation established for all time?—Of course that is a very wide question, and a very complex and important question. There is now at the Mansion House a Central Council which sprang originally really from the recommendations of Lord Herschell's Committee and of Lord Justice Henn Collins's Committee, and which is almost the direct outcome of the committee presided over by His Majesty when Prince of Wales. That Central Council has been very carefully organised and has been in communication with all the local committees throughout the country, and it is to that body, I think, we may fairly look, not only for counsel and support, but to initiate such an institution as you seem to foreshadow.

2497. I did not foreshadow anything in connection with war funds. I suggest myself that with regard to any fund the Lord Mayor collects he would be able to find his organisation at the time it was collected?—Undoubtedly.

The Witness was instructed to withdraw.

COLONEL JOHN SMITH YOUNG is again called in; and further Examined, as follows:

Chairman.

2498. WILL you first tell us what has become of your actuaries?—I pressed the President of the Institute of Actuaries and the Secretary of the Institute to give for this meeting the actuarial valuations, and I again reminded the President

Chairman—continued.

of the urgency of your requirements. I got this note from him yesterday which I should like to read, because it places the thing in a better light than I could perhaps place it: "Dear Colonel Young,—Your letter has just reached me. From the

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Colonel YOUNG.

[Continued.]

Chairman—continued.

"the time we were able to get under way the work has been pressed forward often up to ten and eleven o'clock at night; but it is nearly finished, and I hope we shall be able to settle on our report on Wednesday evening, and you would then have it in a day or two. It has been a big job, and, of course, we are all busy during office hours with the avocations by which we earn our salaries. Yours very truly, C. A. Higham."

2499. Are these gentlemen doing this voluntarily?—Absolutely in an honorary capacity; they came forward on purpose to set at rest doubts that existed as to the soundness, if I may say so, of the valuations that had been placed in past years upon the assets and liabilities of the funds administered by the Patriotic Fund Commissioners.

2500. Will they have gone through the accounts sufficiently to enable us to learn from them first the amount of every fund in hand; secondly the value of the charges upon that fund and thirdly the surplus that remains after the charges are paid?—I believe that will be exactly the state of the case; I asked the honorary secretary yesterday whether the reports would be in that form of placing on one side the value of the assets, which is the capital of the fund, and placing on the other side the liabilities, that is the cost in capital of the annuities that have been placed upon the fund by the Patriotic Fund Commissioners, and showing the balance that would represent the amount of surplus assets over liabilities.

2501. Showing the surplus over those charges?—Over those charges.

2502. It has been said that the late Mr. Finlaison went through your accounts from time to time so as to show the value of the different fund; what was the date of the report of his last investigation?—Up to 31st December, 1899.

2503. Were those reports also full and complete, showing the value of your assets?—Very full and complete; he had every information that he desired and he had always the accounts we publish with the report to the Crown for the year preceding, so that he could test our statistical information that we gave him as to the liabilities as well as the assets.

2504. If it should happen that the actuarial reports do not supply the whole information that the Committee wish could we have Mr. Finlaison's reports?—For one fund to 31st December 1899, and for the remainder of the funds to the 31st December 1898, for they were small funds and we did not go to the cost of revaluing every year, but only triennially.

2505. We can have that information if it is required by the Committee?—Certainly, it will be found in the Appendices to our Reports, my Lord.

Mr. Kearley.

2506. In the first place do you mind telling me the names of the gentlemen who have come forward and volunteered to do this actuarial work and who they are?—I cannot give you the names for the simple reason that it is the Council of the Institute of Actuaries, who, as a body, came forward and made the offer to the Patriotic Fund Commissioners in a patriotic spirit.

2507. Who is the gentleman that writes to you?—Mr. C. A. Higham.

Mr. Kearley—continued.

2508. What is he, the secretary of the society?—He is at the present moment the President of the Institute of Actuaries.

Mr. Bartley.

2509. Do I understand that the council will be responsible for the information we get?—Yes, no individual will be; it is the council in council assembled that will be responsible for the reports.

Mr. Kearley.

2510. Is this the body of which Mr. Finlaison in his turn was president?—That is so; there is only one Institute of Actuaries and it has a charter.

2511. My friend Mr. Hardy was president?—I think he is on the council still; there are two Mr. Hardys on the council, I believe.

2512. You have handed to this body certain schedules in the same way as you handed schedules to Mr. Finlaison, is that so?—That is so.

2513. These gentlemen have not had access to your books in the same way as they would to the books of a life insurance company, such as the Royal Life Insurance Company, there to ascertain for themselves all the information, and to draw their own deductions from the information they have access to?—Certainly they have access to any information they choose to ask for; they have asked for and have got additional information to that which was furnished to Mr. Finlaison, as I told you when giving my evidence before.

2514. I would remind you that Mr. Finlaison deliberately stated before the Parliamentary Committee of 1895-96 that he had no access to the books, and that he simply reported on material supplied to him on schedules prepared by the Patriotic Commissioners?—What Mr. Finlaison said is this: in answer to the question "Has there been any information withheld from you of a nature against which you have thought it right to protest in any way?" his answer was, "On the contrary, I have received the fullest information that I required, and I am confident that had I asked to be furnished with any additional information to what was given to me, it would have been forthwith supplied to me." That is question No. 2777 on the 3rd July 1896.

2515. I want to raise no controversy on the matter; I merely want to have it established clearly to the Committee whether these gentlemen have the same access to your books as would be given to an ordinary actuary called in to report as to the financial condition of a mercantile house?—I can answer that best by telling you that I wrote to them, in order to place it on record, that whatever information they desired they would get. They might come into the office and ransack the books if they liked.

2516. The reason I ask this is because you may have overlooked the fact that Mr. Finlaison stated that his father advised and warned the Patriotic Commissioners that they were undertaking liabilities larger than the funds could satisfy, and that his warning was ignored until the Government stepped in and brought about a change in affairs in 1881?—I answer that again by saying it is ancient history.

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Colonel YOUNG.

[Continued.]

Chairman.

2517. Will you let these gentlemen have anything Mr. Kearley wishes them to have?—Anything.

Mr. Kearley.

2518. As regards the financial position of these funds the Chairman asked you a question as to whether the assets, liabilities, and surpluses on the various funds could be correctly ascertained from the statements prepared by these actuaries, and which we hope will ultimately be presented to us. Will it be within the knowledge of these actuaries that you have diverted certain surpluses from funds that were specially subscribed for a particular set of sufferers, and that you are applying these surpluses under the heading of another fund to an entirely different set of sufferers?—I think you are addressing yourself are you not to a question of administration which is not actuarial at all.

2519. Excuse me?—Excuse me.

2520. Take the "Captain" fund, which is the one I have in my mind. You told us there was a surplus there that you had passed over to another fund?—In accordance with an Act of Parliament.

2521. You told us you had passed this surplus over: will the actuaries have knowledge of that, or will they simply be confronted with the fund as it stands to day in your books?—They have been given a *résumé* by me of the whole of the funds and the circumstances, as far as it was possible to give them, of the position in the past; but, of course, I do not accept for one moment your word "diverted," and on the contrary I should say that that is not a word to apply to the effect of the wisdom of Parliament.

2522. I only asked for information: when we get these reports from these gentlemen they will simply be reporting on the funds as they appeared in your books at the time they were called in?—Exactly.

Mr. Bartley.

2523. Do we understand that in your books those funds have been altered in strict accordance with an Act of Parliament and in no other way?—That is so, in no other way.

2524. That is distinct is it not?—That is so.

2525. They are simply altered according to Act of Parliament?—Yes.

Mr. Kearley.

2526. Will you tell us the Act of Parliament?—Perhaps this will settle it; if you turn to page 18 of the last report I handed in you will find that the auditor reported that these securities were transferred under the statutory authority given by the Supplementary Royal Commission of the 3rd April 1897. There is no secret about it; it is perfectly open.

2527. Will you tell us the Act of Parliament that has justified you in handing over the surplus from the "Captain" Fund, which was subscribed for the widows of those who lost their lives in the "Captain" disaster, to your general Patriotic Fund, out of which you are pensioning widows of men who were not killed in the Crimean War, but who died 20 or 30 years afterwards from no ill effects of the Crimean War?—Section 4 of the Patriotic Fund Act of (0.21.)

Mr. Kearley—continued.

1881, and the Committee of which you were a member recognised that these were surpluses, and that the time had arrived for them to be applied in the manner you have just indicated.

2528. Then Section 4 of the Patriotic Fund Act of 1881 is your reply to my question?—Certainly.

Colonel Nolan.

2529. I do not know whether it will be in the actuarial statement or not, but I think it is important. Is the total cost of management and distribution under 4 per cent., £3,200?—Yes, that is quite correct.

2530. Is it under 4 per cent?—It is under 3½.

2531. The total cost of management?—Yes, for every conceivable purpose.

Chairman.

2532. You do not know the exact date when the actuaries will have their report ready?—Yes; they say they will have it ready on Wednesday.

2533. And that you will have it in a day or two afterwards?—Yes; and if you were to call upon the President, I have no doubt he would be very glad to appear here and give you any additional information.

Chairman.] I think he will have to appear.

Mr. Lambert.

2534. When will we have the actuary before us?—I think this day week, if I may venture to say so.

Chairman.

2535. I want some figures from you, if you can give them to me. First, as to the Transvaal War; you stated in your last evidence that you had relieved 2,960 widows.

2536. Has that number been increased down to to-day?—3,145 is the number down to to-day.

2537. As far as you know, does that represent all the widows existing in respect of the soldiers killed in the Transvaal war?—Every one, and more than exist actually at the moment, because there have been casualties in the shape of remarriage, death, and unworthiness.

2538. Do you know the number of those cases approximately?—I would like to emphasise one point: when I was last before you 68 had remarried, and that number has jumped up to 92 now.

2539. I suppose you could take about 145 off the number?—Yes.

2540. That would leave it in round numbers about 3,000 widows?—About 3,000 widows at the present time.

2541. These have come into existence as widows since the 20th October, 1899?—Yes.

2542. I will not trouble you about the other widows. To make the thing clear, you are paying about 5s. per widow?—A good deal more than that in some of the cases; that is the lowest we give.

2543. I ought to have said that your minimum is 5s. Would it be safe to take an actual minimum of less than 7s.?—That we accepted as the recommendation of the Mansion House Council.

2544. Do not go into the earmarked funds, the old funds, we will wait for the actuaries for that

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Colonel YOUNG.

[Continued.]

Chairman—continued.

that, but out of the 443,000*l.* received from the Lord Mayor how much have you got in hand?—The exact amount to-day is as follows: Invested in securities, 343,159*l.*, in Treasury Bills which will run off shortly, 55,000*l.*, and cash balance, 12,000*l.*; together, 410,000*l.*

2545. Have you only spent 33,000*l.*?—Ah, no; we have spent since the 1st of January, 25,310*l.*

2546. You received 443,000*l.* from the Lord Mayor?—About that; I think it was 434,000*l.* as he deducted a certain amount for advertisements.

2547. How much of that have you spent?—We have spent about 61,000*l.*

2548. Was that in payment of relief or in payment of annuities?—In payment of provisional relief entirely.

2549. Of course, the time has been comparatively short, but how much per week are you spending now in annuities?—It is altering as I am talking; my committees are at it day by day, altering the allowances in consequence of the grant of State pensions.

2550. About how much are you spending weekly now?—It is impossible under the circumstances to tell.

2551. You have 410,000*l.* in hand?—Yes.

2552. And you are relieving 3,000 widows?—About that.

2553. At 5*s.* each, I make it that you are spending about 750*l.* a week?—I should not be honest if I were to say we were giving 5*s.* a week in all cases, because in the case of the "Daily Telegraph" supplemented by State pensions we do not give anything, because they are much better off than when their husbands were alive. ¶

2554. There are 659 widows on the "Daily Telegraph" Annuity Fund?—Yes.

2555. In these cases you would not give your pension as well?—The "Daily Telegraph" cases were the early widows, and our committee have already come to a decision not to give anything to these in certain cases, although in other cases where there are large families they are to supplement the amounts.

2556. You are giving nothing to some of the widows?—Nothing.

2557. Is the 3,000 you have given me the number you relieve, or the number that exist?—It is the number that both are relieved and exist, because they all got immediate relief from us.

2558. Now they are not getting relief?—No.

2559. So that you are not relieving 3,000?—No, and the number will get less every day through the operation of State pensions.

2560. Has any determination been arrived at that when the Government pensions come into play, you will continue your present allowances, or will you deal with that fact so as to diminish your present allowances?—That is so; we are dealing with it every day this month.

2561. The Government payment has not yet been made?—But we know them; it was part of the bargain I made in furnishing them with a complete list to enable them to bring their pensions into force.

2562. If you do this, and you have now 410,000*l.* in hand, your fund will last you a very long time?—I hope it will fulfil the objects Mr.

Chairman—continued.

Hayes Fisher drew from me as the objects for the fund; I have a confident hope that that will be so.

2563. His five objects?—His five objects supplementing the State pensions and bringing up those off the strength to the same degree of comfort as those on the strength.

2564. With the "Daily Telegraph" payments, with the Government Pensions, and with the application of the funds you have got in hand, is it your opinion that that will be sufficient without further collection to meet the claims of the widows now existing?—Of course I cannot say what the casualties will be.

2565. You did not hear my question,—now existing I said?—Certainly.

Colonel Nolan.

2566. Do you think that the fact that a widow has to forfeit the money on re-marriage has any effect towards immorality or does it lead to any trouble in that way?—That is a question about which I know people hold contrary opinions, and I can only give you my own from perhaps the largest experience that exists, and that is the 40 years' experience of the Patriotic Fund Commissioners. My own personal opinion is that it does not have any such effect, because the expert experience comes in to bring natural checks against immorality. All those widows have to declare themselves once a quarter attested by some one of position in their locality, and we have always found that those people who attest them take a very great deal of trouble to protect the funds from any irregularity.

Mr. Lambert.

2567. I understood you to say that you hoped the Patriotic Fund would be able to pension the widows of the men who had married off the strength?—Certainly.

2568. So that practically speaking the widows of the men who have married on the strength will be pensioned by the Government and the others by the Patriotic Fund?—And we shall supplement the Government Pensions.

2569. In the case of a man who marries off the strength his widow will not be at a disadvantage, because she will be able to fall back on the Patriotic Fund Pension?—We will take very good care she is not at a disadvantage; we never have known any difference between those off the strength and on the strength, and no benevolent fund can really recognise any such difference.

2570. Therefore, although practically the Government will only allow pensions to widows married on the strength, the widow who is married off the strength will be able to fall back on the Patriotic Fund, and she will be no worse off than the other who married with permission?—That is so; and I would like, my Lord, to add with regard to what you have asked me, that I am able to say that the estimate I gave of 25 per cent. will, I believe, cover the figures of those who will ultimately be found to be off the strength, that is 25 per cent. of the whole. So far as we have got at the present moment it is under 25 per cent.

2571. As

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Colonel YOUNG.

[Continued.]

Mr. Kearley.

2571. As regards the percentage of re-marriages, I think the Committee ought to have that before them from your past records; can you tell us the percentage of widows who re-marry in connection with the Patriotic Crimean Fund?—About 50 per cent.

2572. I have extracted this from your reports: In 1862 there were 3,056 widows, and of those 1,373 re-married, the percentage of those who re-married being 45 per cent., and of widows 55 per cent.; in 1865, three years afterwards, the percentage of re-marriages had increased to 56 as against 45, and consequently the widows had fallen from 55 to 44; and in 1867 the percentage of re-marriages had gone up to 60, and the widows had fallen to 40.

Chairman.

2573. Is the pension half on re-marriage?—The Commissioners have abandoned that principle; they find that it leads to a good deal of poverty in old age, and they think it much better to deal with each case on its merits, and even although the woman is re-married if she is in need and has a claim on the fund they do something to put her in a position of comfort.

Mr. Kearley.

2574. But you do not think it a good policy to continue the pension on re-marriage?—In my own mind it is the greatest mistake to give them anything on re-marriage, but I think that when they are widows a second time we ought to put them in the same position as they were in before.

2575. We shall be able to come to a better determination as to the position of your funds if you will tell us exactly the policy of the Patriotic Commissioners in dealing with their re-married women; if they are to have nothing I do not disagree with that, and I think we could safely anticipate that at the very least 50 per cent. of those widows will re-marry in the next eight years—

Mr. Lambert.

2576. The Government pension ceases on re-marriage, does it not?—Yes.

2577. You have said that when a widow re-marries and becomes a widow again, the Patriotic Commissioners pension her again, but that is not the case with the Government?—No; that is a liability the Commissioners will bear in mind, to take these widows on again.

Mr. Kearley.

2578. Is it not the fact that the original policy of the Patriotic Commission was that upon re-marriage the widow should have half allowance?—To this day.

2579. And that upon re-widowhood she should be restored to full pension?—That is so.

2580. That was deviated from, owing to financial circumstances on which I make no comment, for some years, but it was ultimately restored to the original position, is that so?—That is so.

2581. The alteration commenced in 1880 or 1881; how long did that last before you restored the original position?—Till 1891.

(0.21.)

Mr. Lambert.] It seems very ridiculous for the Government to give a pension to those married on the strength and then the Patriotic Fund Commissioners to give a pension to those married off the strength; so that there exists practically no check on the men marrying off the strength.

Colonel Nolan.

2582. On that point, does the soldier, when he is marrying, think of the immediate consequences of living in barracks and not at all of the pension?—Quite; in connection with this war there are no doubt a good many who have been married to get on the funds.

Chairman.] What I understand Mr. Lambert to mean is, If it is good policy not to encourage marriages off the strength, the action of the Patriotic Fund in giving pensions to the widows of men who marry off the strength goes against that policy.

Mr. Lambert.] It goes against the policy of the Government.

Chairman.] And against a policy which we may assume hypothetically to be correct.

Witness.] Only because it is a benevolent fund.

2583. But it is not an improvident fund; that is Mr. Lambert's point, and I express no opinion upon it.

Mr. Lambert.

2584. (To the *Witness*.) What is your opinion upon that point: The Government have established a system of pensions with certain and definite rules; you, the Patriotic Commissioners, go behind those rules and, of course, practically reverse the policy of the Government, if I may say so?—I would not like to put it that way at all.

2585. It is strong, I know, but that is practically the effect of it?—Not to reverse it; on the contrary, it is to apply contributions which you must recollect were asked for in a different condition of affairs; there were no Government pensions when the fund was asked for.

2586. The Government helped to start the fund under certain conditions, but you have departed from those conditions and used your funds in a different way, and practically reversed the Government decision; it must be so?—I would not like to accept that; that is not my way of looking at it as an administrator.

2587. The Committee see the point, I think. I do not want to press it. The point I wanted to bring out was that you were doing what the Government have deliberately decided not to do?—That is so.

Colonel Nolan.

2588. Is it not the difference between charity and State pensions?—Yes.

Mr. Lambert.

2589. Is it not quite charity when a widow off the strength can come and demand a pension from the Patriotic Fund?—She cannot demand.

2590. At any rate, it is a moral claim?—That is so.

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2591. The

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Colonel YOUNG.

[Continued.]

Chairman.

2591. The moment you receive any information from these actuaries that their report is complete, will you be good enough to let the Committee Clerk know?—Yes. Will you let me make a statement of fact in the interests of truth and justice about what passed when the Lord Mayor was in the chair about the raising of the fund?

2592. If you can make it as short as you can?—The Transvaal War Fund was raised under the following circumstances: Parliament has placed upon the Patriotic Fund Commissioners the responsibility of appealing for contributions to be applied for the benefit of widows and orphans and other dependents of officers and men of Her Majesty's Navy and Army.

2593. When you say Parliament, will you say what statute you are referring to?—The Patriotic Fund Act, 1886, Section 3. In pursuance of that the Duke of Cambridge addressed the letter which you have had put in, dated in October 1899. His Royal Highness in trusting that to me to take to the Mansion House had a conversation with me, and I said that a great many people imagined that the Patriotic Fund Commissioners acted in a dog-in-the-manger spirit to other bodies, and I asked his leave to communicate with the Lord Mayor on that subject, and he cordially gave it. I went to the Mansion House on the 21st October 1899 with His Royal Highness's letter, which has been put in, and a discussion then took place with the then Lord Mayor. There was no one else before the Patriotic Fund Commissioners in the appeal for opening a fund except one, Lloyd's Patriotic Fund, and I said that what His Royal Highness the Duke had given me permission to do, was to suggest to the Lord Mayor that advantage should be taken of what might prove to be a very lengthy war, and to show that a national fund was the real way to meet the case of all classes of sufferers. Having obtained permission I also asked leave to put

Chairman—continued.

this in a concrete form, and I took a sheet of foolscap and pencil, and what appears in that letter over the signature of the Lord Mayor up to the word "Association" of "the Soldiers' and Sailors' Families Association" was actually drafted by me. Therefore it is to the Patriotic Fund Commissioners that credit is due undoubtedly for the suggestion of that scheme, and to no one else. These are the facts, and I venture to say they cannot be contested by anybody.

Mr. Kearley.

2594. On that may I ask one question. I have in front of me a letter written by Mr. Soulsby from the Mansion House on October 28th to the Royal Commissioners of the Patriotic Fund, and he there refers to a letter you had written on behalf of the Patriotic Commissioners giving a certain assurance, and says that the Lord Mayor welcomes with satisfaction the assurance of Colonel Young before he left for South Africa that this money would be used by the Patriotic Commission for the benefit of those for whom the Mansion House Fund is being raised, and that there was no intention of capitalising the amounts and applying only the interest on capital to relief. "I am to add that it is on this distinct understanding and assurance that the Lord Mayor is handing over donations to the Patriotic Fund for administration, and that the appeal to the public from the Mansion House has been and is being based." That is what happened subsequently; there was a definite undertaking given by the Patriotic Commissioners that so far as regards the Transvaal War at all events every penny should be exhausted on behalf of the particular set of sufferers for which it was subscribed; is not that so?—There was never any other intention.

2595. That was not the policy of the other funds?—It was thoroughly the policy of the other funds, but I do not suppose I will ever satisfy you.

The Witness is directed to withdraw.

Ordered.—That the Committee be adjourned to Tuesday, 2nd July, at Eleven o'clock.

Die Martis, 9^o Julii 1901.

MEMBERS PRESENT:

Marquess of BATH.
Earl of DARTMOUTH.
Earl of MALMESBURY.
Earl of WESTMEATH.
Viscount HAMPDEN.
Lord JAMES.

Mr. BARTLEY.
Mr. HOZIER.
Mr. HAYES FISHER.
Mr. KEARLEY.
Mr. LAMBERT.
Colonel NOLAN.

THE RIGHT HONOURABLE THE LORD JAMES OF HEREFORD IN THE CHAIR.

MR. CHARLES DANIEL HIGHAM, is called in; and Examined.

Chairman.

2596. I BELIEVE you are the President of the Institute of Actuaries?—Yes, my Lord.

2597. And you have been good enough, I believe, as a matter of voluntary work to prepare a report for the Patriotic Fund Commissioners?—The Council have.

2598. The printed copy that has been handed round to us is a copy of your report?—It is; a signed original has been lodged with the Commissioners.

2599. We want your report read: would you read it slowly for us, or would you prefer the clerk to read it?—Whichever you prefer.

2600. Will you just read it slowly?—It is dated 8th July 1901, and is addressed to Colonel J. S. Young, Secretary, Royal Commission of the Patriotic Fund, "Sir,—In fulfilment of the trust imposed upon the President and Council of the Institute of Actuaries by your letter of the 21st February last, we have the honour to present our report upon the various funds submitted for valuation. The schedules, as on 31st December 1900, of the numbers and ages of the recipients, the allowances to which they are entitled, and the assets to meet the liability for such payments, with which you furnished us, form the basis of our computations. Before commencing the valuations, we carefully considered the conditions under which the funds are administered, and we should have been glad to have had before us evidence as to the marriages and deaths among the recipients in the past, so that the previous experience of the funds could have been made a basis for the estimate of future liabilities. You will remember, however, that though you took in hand at once an analysis of one of the larger funds, yet, owing to the great extent of the records to be scheduled and to the extreme pressure on your time, you were constrained to tell us on the 10th May that it would be impossible for you to supply us with the information soon enough for it to be made use of in the present valuations, seeing that they were required for the information of a Committee of both

Chairman—continued.

Houses then sitting. We immediately, therefore, proceeded with our calculations, nor do we think that the want is of moment, especially since our advice is not required as to the Transvaal War Fund, for the marriage rate is not an important factor in connection with the older funds. In the absence of specific information as to rates of re-marriage, we have assumed that all allowances paid to widows will be continued undiminished throughout their lives. This results in a slightly enhanced reserve being made; but the excess cannot be great, for nearly all the funds now valued have been so long in operation that the duration of widowhood of those in receipt of full pensions has reached that stage when re-marriage becomes rare. The tables of mortality used by us have been: For all pensions, the tables deduced from the experience of Government annuitants (four years after purchase); and published in 1884, distinguishing males from females."

2601. That is the table of mortality used?—That is the table of mortality for all pensions.

Mr. Bartley.

2602. That is not the new scheme which has been lately made by the actuaries?—No. "For allowances to children and endowments, Dr. Farr's Healthy English Districts Life Tables, distinguishing males from females. For allowances to infirm persons, the English Life Table, No. 3, distinguishing males from females. Having in view the existing assets, and the fact that much further investing will not generally be required, we have adopted 3 per cent. as the rate of interest; and this has been borne in mind when placing values upon the various securities. Future expenses of management have been allowed for at their rate in 1900, the average ages of the recipients in the various funds having been also kept in view. There has of late been much deterioration in the value of first-class securities; but, while we cannot advise that those in question should be taken as worth more than we have stated, we think it probable that a surplus

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Mr. HIGHAM.

[Continued.]

Mr. Bartley—continued.

a surplus will be derived from this source, if those to be sold are selected with prudence as occasion arises." Then we give, my Lord, the various funds, and you will find them summarised on page 11. I do not know whether you would wish to have them read also.

Chairman.

2603. I see in the summary the first you take is the Patriotic (Russian War, 1854–56) Fund, and then you take out the liabilities, assets, and surplus?—The total liabilities come out at 174,161*l.* you will see.

2604. And then on the other side you have given?—We have given the funds as they are supplied to us, and we have also shown for the information of the Committee the prices at which we have taken them, bringing up the total to 189,623*l.*, showing that there is a surplus of 15,462*l.* On page 11 we have brought all these things forward.

2605. Will you turn, please, to page 11, your summary?—There you will see, my Lord, that the Patriotic (Russian War, 1854–6) Fund shows liabilities of 174,161*l.*, assets of 189,623*l.*, showing a surplus of 15,462*l.* The Patriotic (General) Fund shows liabilities of 63,380*l.*, assets 154,622*l.*, and a surplus of 91,242*l.*; the "Captain" Relief Fund, liabilities 17,451*l.*, assets 20,499*l.*, surplus 3,048*l.*; the "Eurydice" Relief Fund, liabilities 9,495*l.*, assets 11,574*l.*, and 2,079*l.* surplus; the Zulu War Fund, liabilities 17,621*l.*, assets 21,101*l.*, surplus 3,480*l.*; the "Atalanta" Relief Fund 6,460*l.* liabilities, assets 7,600*l.*, and 1,140*l.* surplus; the Soldiers' Effects Fund, liabilities 124,032*l.*, assets 161,843*l.*, and surplus 37,811*l.*; the Ashantee War Fund, 1,894*l.* liabilities, 1,871*l.* assets, and a deficiency of 23*l.*; but we have put a note there showing that "This deficiency will only arise in the event of full widows' allowances being in future granted to re-married women on the death of their husbands as mentioned above." That was a question specially referred to us, and we thought that the Committee would prefer that we should include it as a liability, and show that it brings out that deficiency. The Balaclava (Light Brigade) Relief Fund, liabilities 1,611*l.*, assets 2,236*l.*, and surplus 625*l.*; the "Victoria" Relief Fund, liabilities 49,696*l.*, assets 59,321*l.*, and surplus 9,625*l.*; the total liabilities being 465,801*l.*, the assets 630,290*l.*, the surplus 164,512*l.*, and the deficiency 23*l.*

2606. Just on that summary we had in evidence before us from the Secretary of the Patriotic Fund, Colonel Young, the funds belonging to the Patriotic Commissioners; they amount to 19; I see yours here are 10: will you kindly look at that list, and state to us what is the reason of the absence of the other nine funds?—A certain number of funds only were referred to us for valuation. As to some of the funds, you will see, I think, in the Report, they use the income only; Colonel Young can tell you more about them; but certain funds only were referred to us for valuation.

2607. We will ask Colonel Young; no doubt there is a full explanation; you have taken the 10 funds referred to you for valuation?—Exactly.

2608. At present we have not had an opportunity of reading them; are you pretty confident

Chairman—continued.

that the amount you have allowed for liabilities is correct?—Perfectly; it is on the safe side, of course.

2609. And it is quite safe?—Certainly, and probably there will be a small surplus in various ways; for instance, the mortality is not likely to be quite what we have allowed for; we have taken the Government Annuitant Table, which is a high-class table; the mortality of widows of private soldiers is likely to be greater; the vitality will not be so great; in every way we have made a safe allowance.

2610. That is what we want; if we recommended these figures to be adopted we would be safe?—Yes. The only thing that would throw them out would be this, that in former days people were put on the Patriotic Fund without proving their ages; the ages are always proved now; it is possible that in former days some of the ages may be wrong. I do not think there is much in it because it is a long time ago, and also there was no reason why a person should put his age down wrongly. We, in assurance companies, are accustomed to find ages put a little too young, and annuitants are inclined to put them a little too old, but in these funds I do not think that likely to happen.

2611. I want your assurance; the Committee would wish to know that we should be quite safe in acting on this surplus?—You would be quite safe, and probably you would have something over.

Mr. Bartley.

2612. As to the increased length of life, which has been so great during the last 30 or 40 years, you say you have not taken that into account?—I do not think the increased length of life is so great as you are perhaps disposed to put it; you are thinking of the new table as to assurances published by the Institute of Actuaries and the Faculty; that is an entirely different class of mortality from the mortality of private soldiers' widows.

2613. You think that would not affect it?—Certainly not.

2614. The tendency would be to make the lives rather shorter?—We have taken the Government Annuitants' Table, which does not differ so materially from the new annuitants' table.

2615. That is a higher scale?—Yes, the Government Annuitants' Table gives a longer life than the table the assurance companies value assurances by.

Chairman.

2616. Is there anything in the note you have written at the end beneath the table on page 11 of your Report?—About the deficiency?

2617. "The Royal Commissioners of the Patriotic Fund"?—Shall I read that?

2618. Yes, please?—"The Royal Commissioners of the Patriotic Fund will be fully aware that rates of mortality can only be employed with confidence when applied to large bodies, for otherwise the discrepancy between forecast and fact is apt to be at times great. We, therefore, venture to recommend a general consolidation of the funds, so that one set of assets would be the security for a variety of

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Mr. HIGHAM.

[Continued.]

Chairman—continued.

of liabilities co-ordinated in proper proportion and with due provision for the disposal of any surplus (or deficiency). It is practically impossible that funds so small as are some of those under consideration can be worked out without serious departures from the averages upon which all valuations such as the present are based; and, moreover, great advantage would ensue, if a consolidation were effected, from the freedom then practicable for the selection of investments

Chairman—continued.

for sale. We would further suggest that power should be obtained (if it is not held at present) for making investments in what are called 'wasting' securities—loans, for instance, repayable in the form of annuities during periods of years, the annuities, Class A, of Indian Railways, &c.—for this much selling of stocks might be avoided. In conclusion, we desire to express our acknowledgment of your courteous assistance while we have been pursuing our investigation."

COLONEL JOHN SMITH YOUNG is recalled; and further Examined, as follows:

Chairman.

2619. The funds that were placed before Mr. Higham and the Council for valuation were ten; in your evidence in the schedule you gave to us on page 23 you gave us 19?—Yes, my Lord.

2620. I can see why you could not give some—for instance, the Transvaal War Fund, you could not give that for valuation at present?—We could not.

2621. The "Royal Victoria Patriotic Asylum Endowment Fund"—the Clapham property?—That, of course, is to be applied only as regards its income, and consequently there is no actuarial valuation to be had in regard to it, there being no lives placed upon the assets. The corpus is an endowment fund of the institution, and it naturally follows that good management requires that the income only should be applied in maintaining the girls in the orphanage and not exceeded if possible.

2622. As to the other seven, cannot they be

Chairman—continued.

valued for some reason?—Well, my Lord, the Commissioners set forth the reasons why they are not actuarially valued on page 9 of the last Report of the Commissioners, which was handed in to the Committee; by placing such funds in what they call funds "which were not raised for any special or limited number or class of beneficiaries but are general funds. In such funds, therefore, as a rule, income arising from investments only is used in relief, though should circumstances warrant a departure from such limitation, capital may, under the extended powers now enjoyed, be applied as well as income in relief." Then follows the enumeration of these funds, and to give an instance of how the ruling principle is to be obeyed, take the Indian Army (Europeans) Effects Fund; the Indian Government placed that with us with the specific limit, that we should not apply anything more than the interest, because they claimed to take back again the corpus in case of the effects being claimed by any heir to an estate.

MR. C. D. HIGHAM is recalled; and further Examined, as follows:

Mr. Hayes Fisher.

2623. Does the valuation summary on page 11 contain all the funds that were submitted to you for valuation?—Yes.

2624. There were none others?—There were no others.

2625. There was no such thing as the Victoria Asylum property?—No, this was everything that was referred to us.

2626. This was everything you were asked to value?—Yes.

2627. Might I notice the "Management Expenses"; I observe on page 3 you put down as management expenses of the Patriotic (Russian War 1854–56) Fund, 13,950*l.*; on page 7 you put down 6,000*l.* for management expenses of the Soldiers' Effects Fund; and on page 4 the management expenses of the Patriotic (General) Fund, 4,000*l.*; would you tell the Committee how you arrive at your estimate for those expenses?—It is based first on the expenditure for 1900, but that has to be taken into consideration in connection with the average age of the recipients of the fund, because for a fund that is going to die out in a few years you do not want a reserve in perpetuity. Then as well we have recollected as to the growing or continuing of a fund, such as the Soldiers' Effects Fund, and

Mr. Hayes Fisher—continued.

finally we have had some regard to what Mr. Finlaison reserved, because we thought it was probable that from private knowledge he, as a Government servant, might have some other information we had not. You may take it, however, that we have reserved quite enough; possibly, I think, a little too much.

2628. I was thinking myself it was a fairly heavy charge?—I think it is quite enough; all through we have been on the safe side.

Chairman.

2629. That is reduced to a capital charge?—That is the capital of it, but I thought the honourable Member had wondered why some were taken at a different number of years' purchase to the others.

Mr. Hayes Fisher.

2630. That is what I was rather aiming at?—We took into consideration the average age; on the first one you mentioned, the Patriotic (Russian War) Fund, the average age is 72, and the youngest person on the fund is 61.

2631. So that the period for management will be considerably less?—It will go off. If you take the Soldiers' Effects Fund the average age instead of

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Mr. HIGHAM.

[Continued.]

Mr. Hayes Fisher—continued.

of being 72 is 40, and the youngest person instead of being 61 is 20, and, of course, we reserve much more in proportion.

2632. At the end of your report you would recommend a consolidation of these funds?—Very strongly.

2633. Would you give us your reasons for that?—Because it is impossible for a small fund to exactly work out; it is absolutely impossible, it has never been known; any gentleman will know that all our calculations are based on averages.

2634. What you think is that while there might possibly be a deficiency on one of these funds, on the whole there would be a sufficient surplus to cover that deficiency?—Yes. I should like to say this, if I may illustrate it by the case of an assurance company: you have, for instance, the Shareholders' Capital, the Assurance Fund, the Annuity Fund, and a variety of funds, and one set of assets covers the lot. It is a ridiculous expense to sell something for one fund and buy for another.

2635. Would your estimate then of the management expenses be less if they were consolidated?—Yes, the management would cost less, and more profit might be made out of selling the investments.

Colonel Nolan.

2636. I would only like to ask you this, have you in any way ascertained that there was no property outside what was left to your calculations?—That is not our business, that is the official's or auditor's business; the liabilities and assets are as referred to us.

2637. You have nothing to do with it if there is any property which is not submitted to you?—That does not concern us.

2638. And in the same way with the liabilities, you only take what is given to you?—That is so; we have schedules given to us.

Chairman.

2639. Actuarial liabilities in connection with lives upon the different funds, of course, you consider?—Yes.

Mr. Bartley.

2640. The general result of your valuation, I take it, is that after providing for everything there is a substantial surplus to be dealt with of about 160,000*l.* or 170,000*l.*?—Yes. Of course the Committee will bear in mind with regard to some of these funds like the Soldiers' Effects Fund, which is a going concern, if I may use the expression, that it is quite possible the Committee may not wish to see all that divided; in the case of these other funds, like the Russian War Fund and the Balacava Fund, there is nothing of that kind; but I imagine from what I understand, that the Soldiers' Effects Fund is a going concern, and probably the whole capital should not be distributed.

Mr. Hayes Fisher.

2641. But that is a constantly recurring fund; it is not like the others?—Something comes in, but I understand not very much. That is not our affair either.

Mr. Kearley.

2642. How far has your investigation gone back to deal with the whole of these funds?—Our investigation is at the moment of midnight of 31st December 1900.

2643. You simply took the funds as they appeared then?—At that moment.

2644. And you had handed to you schedules, I suppose?—Yes.

2645. And from these you made your actuarial computation?—Yes.

2646. You know nothing about the past history of these funds?—It does not concern us; I know what one of the public knows.

2647. I did not mean the mere general history, but I meant the actuarial history?—No.

2648. I take one fund which will illustrate my meaning entirely: last year the "Captain" Fund had a surplus passed away from it of 15,000*l.*, I believe, into the Patriotic (General) Fund; would you have any knowledge of that in your investigation?—No.

2649. You mentioned that you appraised these funds on a 3 per cent. basis?—Yes.

2650. Is that the basis that all you gentlemen work on; is it not a 2½ per cent. basis?—You must consider the facts of the case. Here is a case where you have not got to invest the amounts of these funds; it is not a question of finding new investments, but from time to time of selling investments; you have all these investments which are now actually producing 3*l.* 8*s.* per cent. (not taking off income tax), at the prices at which we have taken them here. I, therefore, say it is not fair to the public to make the valuation at 2½ per cent.

2651. I merely ask for general information?—It would be reserving more than is necessary.

2652. It is the fact that ordinarily you would measure your liabilities and assets on a 2½ per cent. basis; I am not quite sure that I express myself actuarially, but you understand what I mean?—One or two companies have done so, but it would be the exception. I think five have valued at 2½, but it is the exception.

2653. I do not suggest that 2½ is better than 3, but I merely ask for information?—It is not the case that it is a universal rate, nor, if it were the case, would it be desirable in this case to do it where you have a fund, and you have not got to find investments, but from time to time you are selling investments, and your fund is now producing 3*l.* 8*s.* per cent.

2654. And the whole administration is getting the benefit of these good investments?—Yes, that is what I say—you will probably have something more; if you take our valuation it is on the safe side, and in all human probability there will be a further surplus if you ask us to value it in five years' time.

2655. These investments are better than it would be possible to make in the open market to-day, probably?—Yes; you see 4 and 4½ per cent. there.

2656. Do you take all those investments at their face value?—Oh, no; we have considered each item very carefully; speaking quite broadly, we have taken them at the lowest price during the last five years, and with a little margin for safety very often, and we have also allowed a little margin for an investment that is not very much known

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Mr. HIGHAM.

[Continued.]

Mr. Kearley—continued.

known. In all human probability if these are properly sold there will be a fair surplus.

2657. We have not had much opportunity of reading this report of yours, but as to re-marriage I see you say this: "Before commencing the valuations we carefully considered the conditions under which the funds are administered, and we should have been glad to have had before us evidence as to the marriages and deaths among the recipients in the past." I understand you to say in your report that that does not really count for much, because the re-marriage is practically stopped in the old funds?—Perhaps I ought to explain that. We were led to make our offer from a desire to give personal service in connection with these South African troubles, and we tacitly assumed that we should be wanted for the Transvaal Fund; if that had gone on we should have required to take out the marriage rate from one of these older funds, because it would have been necessary for a young fund. We waited for the analysis thinking that the fund was sure to be referred to us, but it was not found necessary, and, therefore, we do not want the information for the older funds because the marriage rate depends not so much on age as length of widowhood. Most of these people have arrived at a time when the re-marriage rate is probably very little. Of course, in the one fund there might be a little difference, but to leave it out is on the safe side. We have thrown it out altogether, and there will be a little profit made thereby.

2658. The "Victoria" Fund is not a very ancient fund?—I do not think re-marriage comes into that, does it?

2659. I think so?—There is no marriage question, I think, in the Victoria Fund.

2660. No re-marriage allowance, is that so?—You see it is a death rate 'as to re-married women wanting full allowance; it is a death rate, for the question of re-married women wanting a further allowance means their husbands dying.

2661. I understand that all those on the Victoria Fund are widows and orphans, of course?—There are widows, yes; but I do not remember that the question of re-marriage comes in at all.

2662. (To Colonel Young.) Can you tell us whether the Victoria Fund is subject to the same provision as regards re-marriage as the other funds?—(Colonel Young.) Practically the same; there is the half allowance given.

2663. What we understand as the Patriotic allowance?—(Colonel Young.) No, it is a special rate of allowance; as you know the allowances from the Victoria Fund in some cases exceeded the usual allowance.

2664. But as regards the principle, it is half allowance on re-marriage?—

Colonel Young.] Half the widow's allowance.

Witness.] The whole thing is a mere trifle; there are very few of them, and whatever it may be it is on the safe side; there is something to come in if they do marry.

2665. But it is the fact that re-marriage may count for something actuarially?—Very little with such a small number. The re-marriage rate (0.21.)

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Mr. Kearley—continued.

depends most on the length of widowhood. This is quite a small thing, and there would be a little profit out of it.

2666. Did it come within your notice at all that Mr. Finlaison, the father of the late actuary, who was also actuary to the fund, got up some calculations of the percentages of re-marriage as affecting the Crimean War Fund?—Yes.

2667. Have you ever had your attention called to those figures?—Not specially; there are a variety of marriage rates.

2668. Could you give us a general figure as to the percentage of re-marriages?—No, you want a re-marriage rate for every class, and that is why if we had gone on with a big fund like the Transvaal one we should have required to investigate the rate of re-marriage for a particular fund; every class has its own re-marriage rate.

Mr. Bartley.

2669. What do you mean by "every class"?—Every class in society; the officer's re-marriage rate would be entirely different from the private's re-marriage rate.

Mr. Kearley.

2670. The officers we found out in connection with the Crimean War married much later?—Yes.

2671. The percentage of re-marriages on the Crimean War Fund rose to as high as 60 per cent.; is that an exceptional figure do you think?—I should not like to say off-hand; I would never give any general figure as to re-marriage, it depends on the class in each case. It depends also on the generation; the marriage rate I take it would be slightly smaller now than in the Crimean days, because all through there is a general tendency not to marry quite so early, and that is shown in the marriage returns. That is simply what the Committee know as well as I do; it is not a special actuarial acquisition on my part, but whatever it may be in the present case there may be a little to come in from re-marriage but not much.

2672. There are particular funds where the income only is being spent, but I understand you have not actuarially examined those?—That is so.

2673. You did not examine the investments in connection with Royal Victoria Patriotic Asylum Endowment Fund or the Roman Catholic Orphans' Fund?—We have not had anything to do with these.

2674. You have not seen them at all?—No.

2675. Did you take any reserve of pensions payable to officials of the Royal Patriotic Fund?—Yes.

2676. How much did you reserve for pensions?—You will find that in the different accounts. For instance, in the Patriotic (Russian War) Fund you will find 1,317*l*.

2677. That is the capital reserved to discharge pensions?—Yes.

2678. Would that be pensions now payable or pensions in expectation?—Now payable.

2679. Did you take anything for pensions in expectation?—No.

2680. Were you not acquainted with the fact that there are pensions to be paid later on to the official

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Mr. HIGHAM.

[Continued.]

Mr. Kearley—continued.

officials of the Royal Patriotic Commission?—We have had nothing to do with that.

2681. You have simply worked on the data supplied to you?—Yes.

2682. You have had no access to the books?—It is not necessary. I imagine we could have had; Colonel Young has offered us every facility, but it is not our practice unless we anticipate fraud or anything of that sort to trouble about the books, but we take the schedules supplied to us.

Chairman.

2683. I think you said that Colonel Young offered you every facility?—Every facility, my Lord.

Mr. Kearley.

2684. With regard to the pensions payable later on, you have not estimated these?—No. We have taken a pretty liberal allowance for management expenses, and if pensions are payable salaries will not be. I mean that a new man coming on would have a smaller salary than the pensioned official, but I do not think that is a great point on a fund like the Patriotic.

Colonel Nolan.

2685. Would you take the Patriotic (Russian War) Fund; there is an amount entered for "management expenses and commission on Post Office Orders"; what part of that 13,950*l.* would be represented by commission on Post Office Orders?—I think we put, roughly, about 400*l.*

2686. That is 400*l.* out of over 13,000*l.*; so that it is all management, practically?—Yes.

2687. The management expenses are very low on most of these funds, and 3 to 4 per cent. are the present figures; how is it that it goes up to about a 7½ per cent. rate in your calculations? Why is it so much higher than the expenses of the present management?—I mentioned a little while ago that the basis was the expenditure in 1900, and then we considered the average age in the fund, to show to how long the expenditure was likely to go on; we considered whether it was a growing fund or a dying fund, and we had some regard also to what Mr. Finlaison reserved, because being a Government official he might have some further information than we had.

2688. Is that applicable to the management expenses?—Yes.

Colonel Nolan—continued.

2689. What is the percentage of the management expenses at present; I think it is under 4 per cent.?—You will find the expenses put down in the Report for the different funds.

2690. They are very well managed?—You will find the information on page 25 of the 39th Report; you will see there the different expenditures on the different funds.

2691. My point is this: that the present cost of management is under 4 per cent. and yours is about 7½ or something like that; where does the difference come in? Is it pensions for the secretaries, or what is it?—No, our figures are based on the actual expenditure at the present time.

2692. The present actual management?—Yes, with some allowance for a growing fund so as to take care to have enough; all through it is our business to see that there is enough reserved.

2693. Is it not sensibly higher than the cost of the present management?—A little higher in some cases.

2694. What do you call a little—1 per cent.?—I should not like to say in percentages; it is a matter of judgment, taking care, as I say, always to be on the safe side. It is possible, I think, in some cases that there may be a little too much reserved: in other ways there would be a little margin for mortality and interest, and there would be a little probably for management.

Mr. Kearley.

2695. What was the average age of the widows not on the Crimean Fund but on the Patriotic (General) Fund?—74, and the youngest was 63.

2696. How does that compare with the average age of the widows on the Crimean War Fund?—The average age there was 72 and the youngest 61; very much the same.

Mr. Bartley.

2697. I would like to put it in a sentence: As a matter of fact you have made allowances so that we may take this corpus of 160,000*l.* or 170,000*l.* as available for our purpose?—Certainly.

2698. After allowing for all possible accidents and pensions and everything else, you consider that that will be the surplus we can deal with?—Certainly.

The Witness is directed to withdraw.

COLONEL JOHN SMITH YOUNG is re-called; and further Examined, as follows:

Chairman.

2699. JUST to make quite clear what has been valued by Mr. Higham's council and what remains unvalued, I think we get it clearly on your Annual Report at page 9; you have given first eight commencing with the Patriotic (Russian War) Fund and the "Captain" Fund, and adding to these the Patriotic (General) Fund, and the Soldiers' Effects Fund, that will make 10; are those the 10 that have been valued by the actuarial expert?—They are.

Chairman—continued.

2700. Then the other nine taken from the schedule given along with your evidence represent what are at large, and these were not valued by the actuaries?—That is so.

2701. Six of that number are to be found upon page 9 of your Report, and going to page 11 we get three more, the "Victoria" Fund, the "Thurlow" Fund, and the Roman Catholics Orphans' Fund; those three added to the number upon page 9 not valued by the actuaries represent

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Colonel YOUNG.

[Continued.]

Chairman—continued.

present the nine that the actuaries have not valued?—Yes. You call it the "Victoria" Fund, but we have a fund called the "Victoria" Fund, which has been valued by the actuaries, and the name of the fund not valued by them is the Royal Victoria Patriotic Asylum Endowment Fund.

Mr. Kearley.

2702. Why do you not have the Rodriguez Fund valued? Was there any objection?—Because the Patriotic Fund Commissioners, after carefully considering the circumstances under which it was bequeathed to the Commission, felt that as it was not raised for any special or limited number or class of beneficiaries, it should be treated as a rule as applicable only as regards its income, but if any particularly meritorious case came along appealing to the original conditions of the bequest, which was for the relatives of those dying or wounded in war, they should not hesitate to exceed the income, and they have done so, if you turn to page 9, to a slight extent in the year 1900, the expenditure having been 712*l.* 6*s.* 6*d.* against an income of 580*l.* 5*s.* 9*d.*

2703. That fund was examined from time to time by Mr. Finlaison; you never excluded it from his actuarial examination?—Indeed, we did.

2704. Altogether?—Altogether.

2705. Is that so?—For a time, under a sentence that was in the Patriotic Fund Act of 1867, that the Rodriguez Fund might be applied to like purposes as the Patriotic Fund, it was grouped as an asset which might be set against liabilities connected with the Patriotic Fund, but that was rather in the time when, as I think you know, there were financial deficiencies, and when these financial deficiencies had disappeared, they felt it was due to the memory of Don Rodriguez to make the fund a separate account.

2706. Was it in honour of the memory of Rodriguez that the fund was allowed to accumulate from its original figure of 7,380*l.* to 16,000*l.*?—Mr. Kearley is again drawing me into controversy as to which, I think, he knows very well the facts.

Chairman.

2707. Just answer please, why it did increase?—Because the restrictions placed upon the bequest by the late Don Rodriguez were such that it was almost impossible to find anybody eligible; he said such must actually be in indigent circumstances, and we had the benefit, I think, of Lord St. Leonards' opinion in early days as to what were "indigent circumstances" and it was that they should not enjoy a single sixpence in the way of income of any kind to be eligible.

Mr. Kearley.

2708. Is it not the fact that the first indigent person you ultimately discovered after about 30 years was the widow of an officer?—I do not think so.

2709. Killed in the Afghan war?—There were numbers placed on before I became secretary, but there have been plenty besides officers' widows placed on.

2710. As regards these two endowments, the (0.21.)

Mr. Kearley—continued.

Royal Victoria Patriotic Asylum and the Roman Catholic Orphans' Fund, these funds represent invested moneys?—Yes.

2711. And you derive an income in the case of the Victoria Asylum of 6,507*l.* a year?—In 1900.

2712. There is an income there coming in between 6,000*l.* and 7,000*l.* a year, and from the Roman Catholic Orphans' Fund there is an income coming in of 1,400*l.* a year, roughly?—That is so.

2713. Have these investments been re-valued by you? They have not come under the purview of Mr. Higham?—They would never be referred to an actuary because there is no actuarial work in connection with an endowment fund.

2714. I am asking for information; I am rather ignorant on these matters: Is there no such thing as a re-valuation of the capital?—There is a natural valuation, and that is that the face value is shown in the capital accounts which accompany the reports of the Commissioners.

2715. That is all I want to get at; now I understand where I am: As regards this capital sum, it is appraised on its face value?—It is appraised on its face value so far as a matter of account is concerned.

2716. Now you heard Mr. Higham say that that was not quite the basis of their valuation of the capital sums of the other funds?—It could not be.

2717. They took a fair average of five years, or rather, I think, the lowest point of five years?—Of course they could not take the face value in any case.

2718. But you have taken the face value here?—Why should we take any other?

2719. I do not want to debate it with you, the only point I want to bring out is this: Is this capital worth more than is shown in your account?—I should say decidedly it is worth more than is shown in the report, because the capital is all in fairly good securities.

2720. In your general balance-sheet, if I may so term it, do you show anything to represent the value of the buildings and the value of the land at Clapham?—No.

2721. Not even at cost price?—No.

2722. That does not appear as an asset at all?—No.

2723. The Chairman suggests that I should ask you this question for the instruction of the Committee: What is represented in this 157,000*l.* that you show as the capital amount at the 31st December 1900 standing at the credit of the Royal Victoria Patriotic Asylum Endowment Fund?—If you turn to pages 20 and 21 of the Report for 1900, you will find the securities set out there in order over the signature of the Paymaster General, who certifies in the column relating to the Royal Victoria Patriotic Asylum Endowment Fund securities totalling up to 142,274*l.* 15*s.*, to which has to be added the capital value of a 3½ per cent. annuity of 525*l.* of the Mersey Docks and Harbour Board

Chairman.

2724. These seem to be all invested funds?—They are all invested funds.

2725. That is quite apart from the land?—Quite apart from the land.

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2726. That

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Colonel YOUNG.

[Continued.]

Chairman—continued.

2726. That does not appear anywhere?—That appears nowhere.

Mr. Kearley.

2727. There are 42 acres of land, I think?—Forty.

2728. Now I asked Mr. Higham as to whether he had any insight into these funds further back than the time at which he examined them, and he told me that they had a statement put before them at a given moment from which they valued the funds. It is therefore necessary to ask you a question about the "Captain" Fund. In this actuarial statement the surplus of the "Captain" Fund is given at 3,000*l.* and the assets at 20,000*l.*, but if we turn back to the year 1898 you show a surplus then of 16,923*l.* and assets amounting to 36,919*l.*?—Mr. Finlaison did.

2729. How is it that it has fallen so tremendously?—Mr. Bartley, at the last examination, asked me a question which showed the fact, and it is contained in the auditor's certificate attached to the last Report, that, under the Patriotic Fund Act of 1881, Section 4, and the Supplementary Commission of 3rd April 1897, certain securities were transferred from the "Captain" Fund, being part of the surplus that Mr. Finlaison had disclosed to the Commissioners in 1898 to the Patriotic (General) Fund.

Mr. Bartley.

2730. I understood that the Commissioners had no option in the matter, and that they were bound by Act of Parliament to do this?—Subject to the principle of administration, which I admitted in answer to Lord Hampden, the whole question is, what is adequate for the people that are upon the fund, and that again is qualified by the "Captain" Fund trust deed, which bound us down to certain rates. You will find them scheduled in the Appendix to the Select Committee's Report in 1895 as well as the trust deed.

Mr. Kearley.

2731. Do I understand that those rates have been adhered to or have they been raised by the Patriotic Fund Commissioners?—We raised them in the original Patriotic Fund successively in 1891 and 1893.

2732. And the "Captain" widows get the benefit of that increase?—There was a clause in the deed of the "Captain" trust to say they were to follow the Patriotic Fund in any administrative principles.

2733. Do I understand clearly that instead of the original rate which is set out in the trust deed you varied it and increased the widows' allowances simultaneously with the increases made to the "Patriotic" widows?—Under a clause in the trust deed.

2734. I think the Committee rather understood that you were bound down at the very outset to the rate, and that you could not deviate from it, and hence this surplus?—I think if you turn to Lord Hampden's question and my answer—

Chairman.

2735. My impression was that you were acting within the deed and were entitled to do it?—Lord Hampden put it to me: Is it not simply a

Chairman—continued.

question of the adequacy of relief? That was the administrative principle; the Commissioners undoubtedly felt the rates they had given were adequate to the class of persons for whom the funds were raised.

Mr. Kearley.

2736. In a general way as regards the construction put upon the Patriotic Fund Act, 1881, Section 4, by the Commissioners, may we take it generally that these surpluses are only passed over to a particular general fund when the Commissioners conclude that the recipients, the beneficiaries on the particular fund, are receiving as much relief as it would be good or advisable to give them?—Adequate relief.

2737. That is the basis?—Yes.

2738. Can you tell us what is the existing allowance to these widows on the "Captain" Fund. Perhaps Mr. Higham could tell us if you cannot?—I can tell; I have got them here. The existing rates are to chief petty officers under the age of 60, 20*l.* 16*s.* per annum; between 60 and 70, 26*l.* per annum.

2739. Would you mind giving it to us per week; how much do the widows get per week. Please also give us the lowest—for the widow of an ordinary seaman?—I will have to go into a calculation which I am not very good at; it is from 8*s.* to 11*s.* per week.

Chairman.

2740. £. 20 a year is 8*s.* a week?—Yes, and 26*l.* a year is 10*s.* a week.

Mr. Kearley.

2741. Can we not have the exact details; so many getting 8*s.* a week, and so many getting 10*s.* Has Mr. Higham the schedule?—Yes, and the schedule is here; there are two at 11*s.* per week, 14 at 10*s.* a week, six at 9*s.* a week, and 18 at 8*s.* a week. Those who have re-married are at a half-rate.

2742. What would be the half-rate?—3*s.* 6*d.* a week.

2743. That would make 7*s.* a week full pension?—Yes.

2744. You give none the full pension now?—No; they have been re-married for some time and they remain at that rate.

Chairman.

2745. At the 8*s.*?—Yes, but the liability is taken for restoration to these full rates.

2746. It is my fault, but I do not quite follow. You told Mr. Kearley that you were giving the 8*s.* a week to the widows still in existence?—Yes.

2747. And the half-rate which is given to those who have re-married is 3*s.* 6*d.*?—Yes.

2748. Why do they not get 4*s.*?—Because they were at the rate of 7*s.* a week at the time they re-married.

2749. They were getting 7*s.* a week?—Yes.

2750. Why did some get 7*s.* formerly whereas now none get less than 8*s.*?—Just as Mr. Kearley drew from me just now; we gave increases in the Patriotic Fund about 1891 or 1892, and the "Captain" Fund followed it.

2751. Increased benevolence?—Yes, but the re-married got no increase; they remained on the

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[Continued.]

Chairman—continued.

the ordinary half-rates, and these were 3s. 6d., 3s., and 2s. 6d., respectively.

Mr. Kearley.

2752. Before 1891 or 1892 the widows of the lowest rating were getting 5s. a week?—Oh, no; I should say none were getting as low as that; I think it was 6s. a week. Possibly you are right, but you are taxing my memory about things that happened before I was secretary.

Chairman.

2753. I should like this on the note: Have they been as low as 5s. a week, and if so, please tell us when?—In the précis I gave you of the funds originally you will find the particulars of the rates at page 8; the lowest were 5s.

Mr. Bartley.

2754. There are none under 8s. now?—None under 8s. now, except the re-married; I have given you the actual figures of what they are now.

Mr. Kearley.

2755. Could we have the exact schedule before us? Could Mr. Higham allow us to see the schedule of that particular fund? Could we have the widows married and the widows re-married?—There is absolutely no objection to it at all. (*The schedule was handed in by Mr. Higham to the honourable Member.*)

Chairman.

2756. The 8s. is the rate for the widow of an ordinary seaman?—Yes.

Mr. Kearley.

2757. You told us the lowest pension payable to a widow on the "Captain" Fund at the present moment was 8s. a week?—It is 20l. 16s. a year, whatever that is.

Chairman.] That is 8s. a week.*Mr. Kearley.*

2758. There may be no widow under 60 years of age?—That is so; the actual figures are given there of the women according to their ages now enjoying these different allowances.

Mr. Kearley.] I see there is only one under 60; there is one at 56.

Mr. Bartley.

2759. You have increased the benefits from this particular fund from time to time?—Yes, we increased them in 1891 and 1892.

2760. As you found the money available?—Yes, when the surpluses became available.

Mr. Kearley.

2761. Would you just finish the re-married rates; you gave us two at 3s. 6d.?—Two at 3s. 6d.; 12 at 3s.; and 24 at 2s. 6d.

2762. How do you justify paying away those large surpluses when there are still beneficiaries in receipt of only 2s. 6d. a week?—Because if you will turn to the report of the actuaries you will find that they take the liability for restoration to full allowance according to the law of averages.

Mr. Kearley—continued.

2763. Why should not these re-married widows be given half allowance at the rate they would be entitled to to-day before you dispose of the surplus?—That is an administrative point upon which there may be differences of opinion; an expression of my own opinion was drawn from me the last time, that I did not hold with any allowance at all during re-marriage.

2764. You paid these surpluses over to the Patriotic (General) Fund?—That is so.

2765. Was it not provided in the original trust deed of the "Captain" Fund, that its surpluses should constitute a Royal Naval Relief Fund?—That was so.

2766. Do you remember stating here definitely that that was the intention of the Royal Patriotic Commissioners. You put it in one of your reports that it was your intention to pay those surpluses over to the Royal Naval Fund; in fact, I remember your having a meeting of the Royal Patriotic Commissioners, and you there passed a resolution that surpluses from this fund and other naval funds should be paid into the Royal Naval Relief Funds?—However that may be, it is not within my memory; all I can tell you is that the Patriotic (General) Fund was the outcome of the Act of 1881, which was the creation of a patriotic general fund out of these surpluses, and that was the proper application; we have been advised legally that that is the proper application.

Chairman.

2767. Was it the view of the Commissioners that the Act of 1881 overrode the terms of the "Captain" Fund trust deed?—That is the case.

Mr. Kearley.

2768. The effect of that is this; I will ask you if this is the correct rendering of it; that the surpluses from these various naval funds are being paid and will continue to be paid into the Patriotic (General) Fund, which at the moment in the main is giving pensions to the widows of soldiers who were in the Crimean War, not killed there nor even wounded very possibly, and therefore money subscribed strictly for naval purposes is at the present moment being given to army purposes; is that so?—Exactly the contrary is the fact.

2769. I should like to hear how you explain that?—I tried to explain it before. The facts are these: The fund was raised of course in 1854 and 1856 on account of the sufferings of the troops in the war with Russia. The number of casualties was such that there were 3,000 and odd widows of soldiers and about 700 widows of sailors. The tables have been completely turned in these last years when the Patriotic (General) Fund was created out of the surplus mainly of the Patriotic (Russian War) Fund. Now the sailors' widows are taking the majority of the funds which were mainly subscribed for soldiers' widows in the first instance, and the figures are almost reversed. The reason is not difficult to give. Soldiers in those days were strictly limited to the married establishment, and all their widows that were eligible came on. The sailors went to a dry bed on board ship or to a bunk, and they have survived to the present time. Now they are dying by the law of nature, and their widows are coming

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[Continued.]

Mr. Kearley—continued.

coming in in waves continually, with the result that the Patriotic (General) Fund bears more naval widows than soldiers' widows by a long way.

Chairman.

2770. They were not widows of soldiers and sailors killed in action only, but the widows of soldiers and sailors who fought in the Crimea?—Yes, the effect of the Act of 1881 was to give powers to the Commissioners to entertain, contrary to the provisions of the Act of 1867, the claims of the widows of Russian War Service soldiers and sailors who did not lose their lives in the war.

Mr. Bartley.] And who were not even wounded.

Witness.] If you turn to page 9, to show that I am not going outside the facts, even in 1899, in the 37th Report, the number on the Patriotic General Fund bore this proportion, 220 navy to 142 army widows, and the Naval widows have gone far beyond that since.

Mr. Kearley.

2771. Would you mind saying that again?—In the 1899 Report the numbers then placed upon the Patriotic General Fund bore this proportion, 220 naval widows and 142 army, and the proportion is still greater in favour of the navy to-day, because the list of applicants shows, I should say, roughly, about 75 per cent. naval widows as applicants for relief.

2772. Where did you get these naval widows from, they are Crimean widows, are they not?—Yes.

2773. Widows of men who served in the Baltic?—Both the Crimea and Baltic, but very largely the Baltic; because the fleets in those days went up the Baltic.

2774. It is purely a question of selection?—No, it is a natural method that their numbers should justify them in the order of date of marriage in coming on to the fund.

2775. That is the method of your selection, the date of marriage?—Yes; it is felt to be fairer all over; it gives a law of average both as regards age and priority of service, we will say, with both navy and army.

2776. The husbands of these widows, whether they be army or navy widows, were not killed in the Crimean War and were not wounded, and the widows are getting the benefit of the surplus of a fund subscribed years after the Crimean War for naval purposes—

Chairman.] That is the result of the Act of Parliament.

Mr. Lambert.

2777. You say that the relief conditions under which Don Rodriguez left his bequest were very stringent; how did you get reliefs from those?—By Act of Parliament.

2778. You state that the face value of that fund is probably below the actuarial value?—Of the Rodriguez Fund? I do not know that I was asked a question, but that would naturally follow.

2779. Can you tell us how much is excluded? You have not included the Rodriguez Fund in the valuation summary which has been handed

Mr. Lambert—continued.

to us by the Institute of Actuaries; how much has been excluded from their purview?—The funds which the Chairman referred to a little while ago, which are included in the last Report of the Commissioners at page 9, the lower portion of page 9, and the three on page 11.

2780. Why were these excluded? Are they not part of the assets of the Patriotic Commission?—Certainly, of the particular funds; but, as I said in answer to a question a little while ago, the Commissioners consider that these, not having been raised for any special or limited number of beneficiaries, are general funds, which it would not be right, except under exceptional circumstances, to apply in relief any more than the income.

2781. I assume you mean that they would not be applicable for the widows and orphans of soldiers killed now in this war?—If this Committee in its wisdom sees fit to make any recommendation, of course, the capital is there intact, subject to the rights that are on it which certainly will not absorb the whole of the capital, because income only has been applied.

2782. Is it not another asset which ought to be added on to the 164,000l.?—It may be regarded so by this Committee, but for purposes of actuarial valuation it was not necessary, in view of the ruling principle of administration, to apply only the income, to refer it to the actuaries.

2783. What is the value?—The capital face value of the Rodriguez Fund was 16,000l.

2784. I mean the whole of the ones that have been excluded, could you give me the total? I only want to know roughly speaking?—It is about 30,000l. of those upon page 9, and on page 11 it is 193,481l. 15s. 11d.

Chairman.

2785. Would you just ask him whether there is any method by which we could be told of the surplus value of these funds you were speaking of, that is taking off from their value as given the cost of the charges upon the funds.—

Mr. Lambert.

2786. That is the very question I was coming to; the Chairman has put it very much better than I could?—Of course, it is quite easy to do that.

2787. How would you suggest that it could be done?—I would suggest that you should request the Patriotic Fund Commissioners to refer to the actuaries any funds upon which there are lives for annuities, but I do not quite see that an endowment fund for an institution can be actuarially valued. I do not see how it can be, I think you must take the face value of the securities. But with regard to such as the Rodriguez Fund, which is applicable to the payment of allowances for life, I see no reason, if this Committee wish a valuation put on the liabilities now upon it, why that should not be done. I can furnish the information about it as I have done about the other funds.

Mr. Hayes Fisher.

2788. How long would it take?—Personally, if you ask me, I do not think it is worth while.

2789. Could

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{Continued.

Mr. Lambert.

2789. Could you tell us exactly what surplus you consider there would be to be recommended for disposal by this Committee over and above what the actuaries have had under their consideration?—It would be presumptuous in me because it is actuarial work.

2790. Roughly?—It is under 30,000*l.*, excluding the endowment funds.

2791. Will you kindly give us the whole amount, the whole assets of the Patriotic Commission. I am putting it very roundly?—Taking it on those figures that are there just now it would be about 200,000*l.*

Chairman.

2792. You will take Mr. Higham is correct as regards his ten funds?—Yes.

Chairman.] Then you might kindly limit your question, Mr. Lambert, to the nine Mr. Higham has not dealt with.

Witness.] I would like to answer your Lordship's question by a very important fact. I have only had the advantage of seeing this report this morning myself, and I am simply alarmed by the report given as to the Soldiers' Effects fund. There will not be a penny of that 38,000*l.* left. We have been placing on that fund liabilities—it is recorded on page 10 of our last report—to the extent of 8,200*l.* a year, and they have only estimated for 5,000*l.* a year.

Mr. Lambert.

2793. Do I take it that you do not agree with the actuaries in their estimate?—I do agree with them.

2794. Probably there are other circumstances which have not come to their knowledge?—An actuary can only value assets and liabilities at a given date; in the minds of some members it appears that they think that the Patriotic Fund Commission stands still; we are being asked for help every day and we are putting on additional liabilities every day, and on this Soldiers' Effects Fund we have put on additional liabilities to the extent of 3,000*l.* a year. When I find that the actuaries value the 5,000*l.* a year at 98,173*l.* I make a rough calculation, and I say "Very well, take even half of that as cost of the addition of 3,000*l.* a year to liabilities since January 1901, and you have wiped out the surplus of 38,000*l.* which existed on the 31st December, which does not exist now; it is a very serious position for us now.

Chairman.] It is very serious for the Committee.

Witness.] I only want to clear up the position.

Mr. Lambert.

2795. How can this difficulty be met? You have great experience in the matter. How do you suggest that we can get at something like the correct amount of the assets of the Commission apart from that which has been presented to us by Mr. Higham?—It really would be presumptuous if I were to estimate what was the value of the liabilities; it is an expert thing altogether, and I have already said that I am most alarmed at this result; I did not foresee it.

2796. I am only asking for information?—And I am desirous of giving it.

2797. If you cannot give us the information why did you exclude it from the actuaries?—

Mr. Lambert—continued.

Because the Patriotic Commissioners are administrators; they must administer funds on some ruling administrative principle; having to administer these funds they have acted on the principle of only applying as a rule the income and therefore there was not any necessity in their opinion to refer these to the actuary; but I have just said that if this Committee differ from the Patriotic Fund Commissioners there is no difficulty in my stating the liabilities to the actuaries, and they, as experts, alone can value the liabilities.

2798. My point is this: We want to get at how much money there will be for this Committee to recommend the disposal of. I do not say anything about the Patriotic Commission, or anything else; if we only had the actuaries' valuation I should have said offhand without asking these questions there was only 164,000*l.* There seems to be a considerable amount more, and I want to get at how much more there is?—It is a question simply of administration; I do not think the Patriotic Fund Commissioners would agree with you as to a single one of these funds, because they pointed out to you, in as clear language as they possibly could, and you drew answers out from me that there is a class which never attracts public philanthropy, and they are applying these funds to meet those cases.

2799. Will you allow me to suggest that the Patriotic Fund Commissioners, of course, have great experience and wisdom, but still this Committee has also some ideas of its own, and may we not have the information for their guidance?—Certainly; I have already said that if you take it that these funds should not be applied to that and you want to get at the information, you are differing with the Patriotic Fund Commissioners of course; but that will not at all preclude you from getting the information readily.

2800. How do you suggest we are to get it?—By my being directed to get the information and to refer it to the actuaries for their valuation; that is the only way in which it could be done.

Colonel Nolan.

2801. As far as I can make out, you say the Soldiers' Effects Fund is about 50,000*l.* worse than is given in the actuarial report?—I should say it is about worse by the whole of the surplus that is shown in the Institute of Actuaries Report that you have before you.

2802. The Soldiers' Effects Fund?—Yes.

2803. About 50,000*l.*?—Yes, between 40,000*l.* and 50,000*l.*

2804. Is that growing now while the war lasts?—I take it one of the first things I shall have to do is to bring that report before my Commissioners and ask them what steps they are to take about putting on fresh cases, because these are coming in in floods.

2805. How is it called the Soldiers' Effects Fund?—Under the Regimental Debts Act the Secretary of State for War is empowered to transfer for the benefit of widows and orphans of soldiers any unclaimed estates after they have been exposed by advertisement for six years.

2806. How much is that a year?—It has dwindled to very little now, owing to short service. In the old days of deferred pay the increments were from 7,000*l.* to 14,000*l.* a year; they varied

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Colonel YOUNG.

[Continued.]

Colonel Nolan—continued.

varied in that way, but now they have dribbled down to between 1,500*l.* and 2,200*l.*, the amount we got in the year 1900, a few weeks ago.

2807. That fund then you may say has got wrong already?—I would not say it has got wrong; it is very well applied.

2808. I do not mean in that sense; I merely mean in the balance sense. It is, of course, excellently administered?—I only wanted to bring before the Committee that they cannot count on the assets of the Soldiers' Effects Fund, and if that is true, I would suggest as a matter of prudence to this Committee that it will do no good to try to get me to make valuations when I am not an expert in valuation of lives which can only be valued by an expert actuary.

Mr. Lambert.

2809. My point was rather misinterpreted; I say why was not all this submitted to the actuaries?—Because the Patriotic Fund Commissioners would not agree with you; they will place it before you, but they are administrators, and they would not agree to place these funds in the same category as the other funds; they have to deal with them according to the principles upon which they have been accustomed to deal with them.

2810. They would do it if requested by the Chairman?—Immediately; I would set to immediately.

Colonel Nolan.

2811. Are there any other accruing liabilities on any of the other funds that would lessen these balances such as the Soldiers' Effects Fund balance?—No, those the actuaries have reported upon are absolutely safe except the Soldiers' Effects Fund; they can be taken absolutely, that I can answer.

2812. As to money on the other side of the balance, are there any assets left out that have not been submitted to the actuaries? You told us something before about some 40 acres of land at Clapham?—Of course we have never in any shape or form reported upon the assets as a Commission, we have simply under the instructions of the Treasury, who rule us in matters of rendering our reports to the King and Parliament, made out capital and income accounts only of our liquid assets, and consequently that is the reason why, not from any desire for concealment, an asset such as the value of land and buildings has never been shown in any of our reports, but it exists.

2813. Then there are some of the assets in these ten funds that are not taken into account by the actuaries?—Not in the ten funds; everything is disclosed.

2814. The buildings?—But that is in the Royal Victoria Patriotic Asylum Fund.

2815. That is not in one of the ten?—Yes.

2816. Some of the names are so much alike, the Victoria Relief Fund and the Royal Victoria; there is not any thing of that kind in the ten?—Yes.

2817. Outside the ten what are there?—Those funds that are included in our report on pages 9 and 11, which are the Patriotic (Army) Fund, the Rodriguez Fund, the Royal Naval Relief Fund, the Zervudachi Fund, the County of

Colonel Nolan—continued.

Forfar Fund, the Indian Army (European) Effects Fund, the Royal Victoria Patriotic Asylum Endowment Fund, the Thurlow Fund, and the Roman Catholic Orphans Fund.

2818. What are the total assets of those?—About 230,000*l.* at their face value.

2819. Does that approximate pretty well to their actual value?—Yes, subject to the liabilities that are included in the lives that are placed upon some of those smaller funds.

2820. What are the liabilities upon them?—That is what I cannot tell.

2821. Does that include the 40 acres at Clapham?—No.

2822. Where could we get a statement of everything—an actuarial summary of all those funds that are left out, and the buildings and everything?—I understand you have taken steps to ascertain the value of the land and buildings: I have no knowledge on that point.

2823. Is there any way of getting a balance-sheet of everything; this is a balance-sheet of ten funds, which is liable to one mistake you have very carefully and usefully pointed out, about 40,000*l.*; is there any way of getting a balance-sheet of all the funds outside these ten in the same way on one bit of paper so that we may know how much money there is to dispose of?—There is, of course, but it would involve the process, as I have tried to explain, of referring to the actuary for the valuation in capital sum of the allowances that have been placed upon these funds.

Mr. Hozier.

2824. This report, I suppose, of the actuaries deals practically with what I may call the personality of the Commissioners?—I cannot follow you.

2825. It is what you call the liquid assets, the personality?—No; these are funds upon which there are lives who benefit until they die by certain allowances, and the actuary alone can value funds under these circumstances that have liabilities of that kind upon them.

2826. The Report does not deal at all with what I may call the realty belonging to the Commissioners?—Not at all.

2827. The Clapham property, for instance?—No.

Mr. Hayes Fisher.

2828. You have no reason to question the valuation by the Institute of Actuaries, giving us a surplus of 164,512*l.* on the 31st December?—As at 31st December, certainly no objection.

2829. But what I understand you to say is, that since that time the Patriotic Commissioners, using their discretion, have placed upon some of these funds, particularly on the Soldiers' Effects Fund, a very large number of widows and pensioners?—They have placed charges to the extent of 3,000*l.* a year in excess of the allowances the actuaries have valued.

2830. So that you arrive at the conclusion that instead of having a surplus of 164,512*l.*, we have to-day a very much less sum at our disposal?—I should say wipe out the 37,811*l.*, and you can take the rest.

2831. You would allow, therefore, that we have (supposing you were from to-day not to put any further

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[Continued.]

Mr. Hayes Fisher—continued.

further pensioners or charges upon that fund) at the present moment an available surplus of something like 130,000*l.*?—About.

2832. You would agree to that?—I would.

2833. Can you tell us why you have during this last year (that is to say, since 31st December 1900) placed such an enormous number of applicants on this fund?—You will find it recorded at page 10 of the Report I handed in for 1900.

2834. I am not in the least questioning it?—No, I am only drawing your attention to the concrete facts.

2835. On page 10 you give your reasons?—“We are glad to state that the Secretary of State for War in May 1900, enabled us by an extension of the scope of the Soldiers’ Effects Fund to meet numerous cases of widows and orphans of soldiers called up or enlisted for home service in consequence of the employment of the regular army in large numbers in South Africa.”

2836. Speaking generally, what class of persons have you placed since 31st December which has absorbed this 3,000*l.* a year?—The widows and orphans of soldiers dying with the colours, not dying with the colours in or by service in the War in South Africa.

2837. I understand that the charge of 3,000*l.* a year is devoted to the widows and orphans of soldiers who have died with the colours other than in the South African campaign?—That is so.

2838. In the Soudan, I suppose?—Oh, no. The Commissioners go on to say, “as well as cases of widows of soldiers of the regular army who died whilst serving with the colours at home and abroad and elsewhere than in South Africa.” A great number of cases come to us annually from India in the ordinary course of service.

Mr. Bartley.

2839. Why have they specially come on this fund this year?—Because previously the Secretary of State for War limited the application of the Soldiers’ Effects Fund to those dying in or by war service or from injuries such as the bursting of a gun, or anything on duty like that, and in compliance with the recommendation of the Committee which sat in 1895, and reported in 1896, he widened it to embrace the cases of widows and orphans of those dying while serving with the colours or within six months from the discharge from the Army, and that is the whole secret of it. This took place in 1900.

Mr. Hayes Fisher.

2840. Are the Patriotic Commissioners contemplating a further charge of anything like the same extent upon this fund?—Of course they will have to consider most seriously the position which is shown by the actuarial advice, and I do not anticipate that they will incur liabilities which they have no assets to meet. The surplus assets are wiped out by what they have done already, and I am afraid this will close the door to a number of cases that are coming in every day.

2841. I beg your pardon; I do not understand that the surplus assets are wiped out. I understood you to say that 30,000*l.* only out of the 160,000*l.* was wiped out?—Yes, but for this particular class of case. You are asking me (0.21.)

Mr. Hayes Fisher—continued.

about the Soldiers’ Effects Fund. Of course these other surpluses will still be available for the Patriotic (General) Fund, as I have said, and you could take these to the extent of 127,000*l.* or 130,000*l.*, but you could not take the 37,811*l.* of the Soldiers’ Effects Fund.

2842. Of the ten funds valued by the Institute of Actuaries we may still take it that there is something like a sum of 130,000*l.* available?—That I said.

2843. Upon which at present you have created no charge?—We have created no charge. One moment; ours is a very complex administration, and I am desirous of bringing out the facts.

2844. My question is very simple?—But it is all very well; you go from one thing to another, and what is in your mind is not in mine.

2845. I have not gone from one thing to another?—You were examining me on the Soldiers’ Effects Fund, and now you go back to the general surpluses.

2846. I have not examined you on the Soldiers’ Effects Fund; I want to examine you if I can obtain your attention on the whole of these funds—on the ten funds in the valuation summary on page 11. I am in the recollection of the Committee; I understand you to say that we have still available something like 130,000*l.* upon which you have placed no pensions or charges?—It was that remark that caused me to hesitate; we are going on placing Russian War widows continually upon the Patriotic (General) Fund.

2847. We will go into what you are going to do presently?—It is what we have done.

2848. May I take that as a firm answer from you, that we have still available a surplus of 130,000*l.* upon which you have at the present moment placed no pension or charge?—No.

2849. There is not that sum available?—I have just tried to explain, it came back to my remembrance that we are placing charges on the Russian War Fund; it is very difficult to go from one thing to another; we administer all these Funds on separate lines.

2850. You distinctly told me once or twice—I think the shorthand writer has got it down, and I am in the recollection of the Committee—that we have got a sum of 130,000*l.* available upon which no pensions or charges are made?—Yes, I did give the answer inadvertently without giving sufficient thought to facts which are continuously in development.

2851. I am most willing you should correct any answer?—That is what I was trying to do.

2852. Now will you correct that answer?—I say we are placing further Russian War widows on the Patriotic (General) Fund, and if there are deserving cases coming along for the Rodriguez Fund we are placing on that fund and on the Indian Army (Effects) Fund.

2853. Looking at the figure in the third column of the actuaries’ summary, which is 164,512*l.*, the sum available on the 31st December 1900, you have said you had no reason to doubt that that sum was available on the 31st December. How far has that sum been diminished since then by charges and pensions created on it up to date, so far as you can say?—It is only with regard to the Patriotic (General) Fund that we are placing on Russian War widows,

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[Continued.]

Mr. Hayes Fisher—continued.

but I cannot charge my memory with the exact figures; it would be impossible. I am working 10 hours a day at different work and it is impossible to remember the figures.

2854. I do not ask you to answer things you cannot answer, but certainly at first you did give one answer and you wanted to correct it. I ask you how far you would like to correct it. I am quite ready to take the answer that you cannot make any estimate at all, if you like to give me that as the answer?—Yes.

2855. Then you are contemplating making a still further reduction in the sum that will be available for the relief of widows and orphans in the future?—Certainly.

2856. Can you tell us at all why you have put such an enormous number of widows and children on the fund this year?—Which fund are you referring to?

2857. We will take the Patriotic (General) Fund?—Because old soldiers and sailors who served in the Russian War are dying, and some of their widows have no one to look to for support, and they would go to the workhouse if they did not get assistance from the Patriotic (General) Fund.

2858. Why did you increase the number so much this year?—Because the old soldiers and sailors are continually dying.

2859. They were dying last year and the year before?—Yes, and they will continue to die next year and the year after.

2860. Why has there been such a sudden increase?—I do not know why you say it is sudden; in our reports we have disclosed that it is far from being sudden; it is going on continually.

2861. You would say there has been no sudden or that there has been no very large increase this year of numbers placed upon the fund?—No, it is gradual.

2862. May we contemplate that the same rate may go on for the next year or two?—I should say it would increase, because, of course, the old soldiers and sailors are reaching the limits of age; just as the casualties in the old widows are very much greater than in the new funds where there are young widows, the casualties amongst the old soldiers and sailors are now at a progressive rate.

Mr. Bartley.

2863. Then with reference to this actuarial statement, the actuary valued what you had promised up to the end of last year, but he did not estimate the possible contingencies of the future?—He could not.

2864. There is no allowance for that at all?—He could not; I was very careful to make that clear.

Chairman.

2865. As the addition goes on, by means of the death of the old men, is there not a diminution equally by the death of the old women?—Yes, my Lord, but the actuaries have calculated that; that is the actuarial work.

2866. Mr. Bartley is asking you if they have not calculated as to the number of new cases coming on?—A widow going off does not add a single penny of assets to us unless to the extent

Chairman—continued.

of the safe margin that the actuaries have allowed on the average; they place a certain amount of capital for each annuity we give them as payable.

2867. If they cannot take into estimation the number of widows coming on, do they take any estimate of value of the deaths of the widows who have not yet come on?—They could not do that.

Colonel Nolan.

2868. I understand you to say that in the case of the Soldiers' Effects Fund the expenditure now largely exceeds the income?—It is upwards of 8,400*l.* a year, and it was about 5,300*l.* when the actuaries valued it at 31st December last.

2869. I understand from you that that arises from two causes: the expenditure has been greatly increased by an Act of Parliament in the year 1900?—Not by Act of Parliament but by the Secretary of State for War relaxing the conditions under which the fund was applied previously.

2870. To what extent was that increased?—It was admitting a very much larger class.

2871. To what extent was the expenditure increased by the relaxation of the rules by the Secretary of State?—You will find it on page 10 of our report; I will give it you I hope succinctly: "The expenditure involved in relieving cases during 1900 raised the annual total from 2,185*l.* for 1899 to 5,142*l.* for the year 1900," and that has gone on in the year 1901 to about 8,500*l.*

2872. It has increased from 2,100*l.* to 8,500*l.*, roughly?—That is it.

2873. On the other hand, the income on the Effects has gone down from nearly 8,000*l.* to 2,000*l.*?—Oh, no; no, no.

2874. That is the income from the Effects only?—The income from the Effects was in 1900 5,831*l.*, and it will only be diminished to the extent of the interest which would have accrued upon the capital we shall have to sell out to make up the difference between the interest that has been received on the capital and the payments in allowances.

2875. I thought you told me that in long-service times the income arising from the sale of soldiers' effects was very much larger, and that the effect of short service was to lower that very much?—I may, perhaps, have given you a wrong impression as regards what it was; it was the capital that was transferred to us that was large in those years, not the income; it was the capital sums that accrued after the exposing of the estates for six years, those that were unclaimed being transferred to us. I have the whole figures, but I know about 1886 it was about 14,000*l.*, and this year it is only 2,200*l.*

2876. It has gone from 14,000*l.* to 2,200*l.*?—Yes, but that is not income, but capital sums.

2877. They do not come in as income?—No.

2878. When would this fund all be paid out; would it all be exhausted in 20 years if left alone?—Of course, if the widows die at the rate at which the actuaries have assumed, with the increased charges we have placed this year, all that capital would disappear with the death of the last annuitant, but that would be about 40 or 50 years hence, because they are young widows in many cases.

2879. But

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Colonel YOUNG.

[Continued.]

Colonel Nolan—continued.

2879. But if you continue bringing on the widows as you are doing just now?—We could not.

2880. At what time would the fund become absolutely bankrupt and unable to pay its annuities?—I should hope it is solvent now, but I should very much doubt if the Commissioners will place a single widow on the fund after considering this Report.

2881. They cannot do it any more?—No.

2882. And it would go bankrupt in seven or eight years?—It would be worse than that; we should incur liabilities which we should have no assets to pay.

2883. That is pretty much the same as becoming bankrupt?—I would call it so, undoubtedly.

Mr. Hozier.

2884. Do the Commissioners own any real property, except the Clapham property?—None.

Mr. Bartley.

2885. We got out from the actuary that there was this surplus, and then I understand from you that this simply means that there is this surplus provided nothing happens after 31st December of last year?—That is so.

2886. And all you have been doing since in connection with new cases has formed extra liabilities which will have to be paid for out of this 167,000*l.*?—Yes, that is what I wish the Committee to understand.

2887. Therefore as a matter of fact the surplus which this Committee would have to deal with cannot be taken in any way to be the sum?—Certainly not.

2888. And you cannot give us any idea of how many more you will put on to the Patriotic (General) Fund any more than you can tell us how many more will come on to the Soldiers' Effects Fund?—Certainly not, unless it was ordered by this Committee that we should stop all the work for which the Patriotic Fund Commission exists.

2889. If you go on in your ordinary way, it is conceivable that you would spend a large part if not all of this surplus?—It would be the duty of the Commissioners so to do; it is the duty of the Commissioners to administer their funds, which means relieving people continually.

2890. You have formed no idea of the ultimate liability that may still come upon the fund, because there must be a limit, I suppose?—Of course, in connection with these funds that the actuaries have valued, you can take their surplus assets except in the case of the Patriotic General Fund and the Soldiers' Effects Fund.

2891. I mean any new cases; you have no idea how many new cases will still come on?—No, they are growing every day.

2892. Even for the Crimean Fund?—Yes; I cannot get people to see this, but it is the fact.

Mr. Lambert.

2893. Are the Crimean widows growing?—Yes, they are increasing now, because the old soldiers and sailors are dying.

2894. Why are the women not dying too?—Because they are longer lived.

Chairman.] And if you take the average the wife is seven or eight years younger than the husband.

Mr. Kearley.

2895. (To Mr. Higham.) What is the expectancy of life of a widow at 75 years of age?—(Mr. Higham.) There are all sorts of expectancies according to the sort of widow.

2896. Take a good average widow?—(Mr. Higham.) There is the widow of a publican, the widow of somebody in the upper classes, and lastly the widow who is an annuitant.

Mr. Bartley.

2897. The annuitants are the longest lived?—(Mr. Higham.) They live according to a rule of their own entirely; nothing would be of any value as an estimate of the expectancy.

2898. Is not 86, and divide by half the number of years a rough idea?—(Mr. Higham.) That was an old rule a long time ago.

2899. It is not very accurate, but it is some idea?—(Mr. Higham.) I think it would be very foolish for the Committee to place any reliance on a rule like that.

Mr. Kearley.

2900. (To the Witness.) As regards this Patriotic (General) Fund, the Patriotic Surplus Fund as I call it, did you say your duty would be to spend the whole of it on behalf of these old Crimean widows?—I did not mean to convey that. I said their duty was to administer the fund, not to stop going on giving relief where relief was needed.

2901. As to that fund now which is given as 154,000*l.*, is there any reason to anticipate that the corpus will be spent at all? Are you not spending the income, or perhaps a little more, not much more?—Pardon me, a good deal more. I tried to make it clear in the report here. Why, even for last year the income was 5,356*l.* and the expenditure 7,359*l.*, roughly 50 per cent. more than the income, and that has much increased since the first year.

2902. What do you say was the expenditure?—5,356*l.* was the income of the Patriotic (General) in 1900 and the expenditure was 7,359*l.*

2903. But in 1900 the income was the same and the expenditure was 6,501*l.*?—I have given you the figures for 1900; you are putting other figures.

2904. You are speaking of the 1901 report?—It is for the year 1900.

2905. That is where we are at issue. Take the figures presented in the 1900 report; you have just given to us the 1901 report; the figures in the 1900 report are income 5,356*l.*, expenditure 6,501*l.*?—That is so.

2906. And the year before income, 4,389*l.*, expenditure 4,636*l.*?—Does not that prove what I am stating, that the expenditure is progressively increasing.

2907. Slightly?—Do you call from 4,636*l.* to 7,300*l.* slightly?

2908. In spite of the increase of expenditure over income you are adding to the corpus far more rapidly from the surpluses from other funds than you are exhausting the capital sum;

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Colonel YOUNG.

[Continued.]

Mr. Kearley—continued.

for example, unless something happens, you will probably transfer this surplus on the Russian War Fund disclosed by the actuaries of 15,462*l.* to the Patriotic (General) Fund according to habit—according to the practice you have adopted?—That is so.

2909. The income of this fund being at the present moment about 5,300*l.* a year, the expenditure has only exceeded it slightly—by 1,000*l.* or 2,000*l.*?—Progressively increasing.

2910. The sums being added to the corpus from the surpluses of the other funds is far greater than that?—Supposing we put on all the applicants now on our books—between 300 and 400—where will the expenditure be then? It will be something like 10,000*l.* if not 12,000*l.* a year.

2911. You have not done so at present. As to the Soldiers' Effects Fund, you have given us to understand that you question the surplus as shown here by the actuaries; you do not ques-

Mr. Kearley—continued.

tion their figures, and you accept them as they were at that date, but you think that at the present moment that surplus will be much less?—I believe it will be wiped out.

2912. But you have not taken into account the payments that would be made to you by the War Department?—Yes, I have.

2913. You have computed those?—I know exactly what it is for this year; it is 2,000*l.* and odd for this year received in April.

2914. How long has this falling off taken place; you mentioned something about short service?—I can give you the exact figures.

2915. I have them here. How long has the short service influenced those funds?—I should think in the last seven or eight years.

2916. May I take it from you that the sums that have been handed over to you from the War Department in the last seven or eight years have been diminishing?—Vastly.

The Witness is directed to withdraw.

Ordered,—That this Committee be adjourned.

APPENDIX.

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APPENDIX.

APPENDIX A.

PAPER handed in by Col. John Smith Young.

The TRUSTS administered by the COMMISSION, with the several amounts (Capital) of each Trust on the 31st December 1900, and the receipts and expenditure thereon during the year 1900, were as follows :—

Description of Trust.	Capital Amounts as at 31st December, 1900.	Receipts, 1900.	Expenditure, 1900.		Number of Persons in Receipt of Benefits.		
			In Payments to Widows, Orphans, and others.	In Management and Distribution of Relief.	Widows.	Other De- pendents.	Children.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.			
Patriotic (Russian War, 1854-56) Fund	151,453 12 -	8,484 16 10	18,846 10 5		940	16	—
Patriotic (Russian War, 1854-56) Fund :— Payments made in 1857 under Trust Deeds to secure nominations in perpetuity, as under :— For Maintenance and Education of :— Five orphan daughters of Naval and Marine Officers in the Royal School for Naval and Marine Officers' Daughters	5,000 - -	The incomes of these Trust Funds are paid direct to the Governing Bodies of the several Institutions.			—	—	5
Seven orphan sons of Naval and Marine Officers in the Royal Naval School	8,000 - -			1,022 16 -	—	—	7
Eighteen orphan sons of Military and Marine Officers in Wellington Col- lege	25,000 - -				—	—	18
Four orphan girls of Sailors, Soldiers, and Marines below the rank of Officer in Royal Seamen and Ma- rines' Orphan Home, Portsmouth	2,747 5 1				—	—	3
For Education and partial Maintenance of 18 orphan children of Sailors, Soldiers, and Marines below the rank of Officer in Royal Naval and Military Free School, Devonport	2,747 5 1				—	—	2
Patriotic (General) Fund, under Supple- mentary Commission, 3rd April 1897	165,523 9 1	5,256 19 1	6,501 2 6	246 6 1	768	—	—
Patriotic (Army) Fund	2,333 - -	66 13 -	52 - -	2 5 4	4	—	—
"Rodrigues" Fund	16,209 7 8	590 5 9	687 15 6	24 11 -	33	11	3
"Captain" Fund	19,638 9 7	813 19 -	1,007 17 -	36 18 10	78	2	—
"Eurydice" Fund	11,532 7 9	405 1 6	463 13 -	17 12 8	33	1	—
Royal Naval Relief Fund	8,006 18 8	290 9 10	257 1 6	12 7 7	19	5	—
Zulu War Fund	21,145 7 9	382 6 4	837 3 6	35 14 -	66	—	—
"Atalanta" Fund	7,600 - -	297 8 8	132 14 -	7 19 4	11	—	—
"Soldiers' Effects" Fund	161,145 16 3	5,331 17 6	4,923 12 5	313 19 9	346	—	559
Ashantee War Fund	1,350 - -	74 10 8	38 10 -	3 8 -	9	—	—
Zervudachi Fund	1,331 - 6	61 18 10	104 2 -	2 15 -	4	—	6
Light Brigade (Balaclava) Fund	2,200 - -	104 14 10	218 - 4	5 7 8	18*	—	—
County of Forfar Fund	800 - -	31 14 8	26 - -	1 2 8	2	—	—
"Victoria" Fund	57,714 9 -	2,033 11 7	3,154 13 4	98 14 11	79	106	106
Indian Army (Europeans) Effects Fund	4,800 - -	202 1 6	92 3 7	3 15 7	4	—	12
Transvaal War Fund	392,445 - 5	3,497 2 10	36,429 9 9	1,237 2 8	2,308	183	3,100
Royal Victoria Patriotic Asylum Endow- ment Fund	157,274 15 -	6,667 13 6	5,609 10 -	224 10 -	—	—	278
Royal Thurlow Fund	702 17 5	24 12 -	3 14 9	—	—	—	—
Roman Catholic Orphans' Fund	25,504 3 6	1,420 3 4	1,466 5 10	23 10 -	—	—	90
£.	1,263,208 4 9	37,062 17 3	81,061 19 5	3,210 17 1	4,722	324	4,188
£.			84,272 16 6		9,324		

* Survivors of Balaclava Charge.

APPENDIX B.

REPORT OF THE INSTITUTE OF ACTUARIES.

PAPER handed in by Mr. Charles Daniel Higham.

Sir. Staple Inn Hall, London, 8 July 1901.
In fulfilment of the trust imposed upon the President and Council of the Institute of Actuaries by your letter of the 21st February last, we have the honour to present our Report upon the various funds submitted for valuation. The Schedules, as on 31st December 1900, of the numbers and ages of the recipients, the allowances to which they are entitled, and the assets to meet the liability for such payments, with which you furnished us, form the basis of our computations.
Before commencing the valuations, we carefully considered the conditions under which the funds are administered, and we should have been glad to have had before us evidence as to the marriages and deaths among the recipients in the past, so that the previous experience of the funds could have been made a basis for the estimate of future liabilities. You will remember, however, that though you took in hand at once an analysis of one of the larger funds, yet, owing to the great extent of the records to be scheduled and to the extreme pressure on your time, you were constrained to tell us on the 10th May that it would be impossible for you to supply us with the information soon enough for it to be made use of in the present valuations, seeing that they were required for the information of a Committee of both Houses then sitting. We immediately, therefore, proceeded with our calculations, nor do we think that the want is of moment, especially since our advice is not required as to the Transvaal War Fund, for the marriage rate is not an important factor in connection with the older funds.
In the absence of specific information as to rates of re-marriage, we have assumed that all allowances paid to widows will be continued undiminished throughout their lives. This results in a slightly enhanced reserve being made; but the excess cannot be great, for nearly all the funds now valued have been so long in operation that the duration of widowhood of those in receipt of full pensions has reached that stage when re-marriage becomes rare.

The tables of mortality used by us have been :—
For all pensions, the tables deduced from the experience of Government annuitants (four years after purchase) and published in 1884, distinguishing males from females.
For allowances to children and endowments, Dr. Farr's Healthy English Districts Life Table, distinguishing males from females.
For allowances to infirm persons, the English Life Table No. 3, distinguishing males from females.

Having in view the existing assets, and the fact that much further investing will not generally be required, we have adopted three per cent. as the rate of interest; and this has been borne in mind when placing values upon the various securities.
Future expenses of management have been allowed for at their rate in 1900, the average ages of the recipients in the various funds having been also kept in view.
There has of late been much deterioration in the value of first-class securities; but, while we cannot advise that those in question should be taken as worth more than we have stated, we think it probable that a surplus will be derived from this source, if those to be sold are selected with prudence as occasion arises.
The results of the valuation of the various funds are as follows :—

PATRIOTIC (RUSSIAN WAR, 1854-6) FUND.

31 December 1900.

LIABILITIES.		ASSETS.		Per cent.	£. s. d.	£.
	£.					
Non-commissioned officers and men :		Consols - - - - -		2½	2,450 12 6 at 98	2,279
15,623l. per annum to 666 widows - - - - -	110,892	New South Wales Inscribed Stock (1918) - - - - -		3½	6,000 - - „ 100	6,000
Deferred allowances at age 70 - - - - -	3,367	Queensland Inscribed Stock (1915) - - - - -		4	3,376 16 - „ 102	3,444
1,583l. per annum to 232 re-married women - - - - -	12,534	South Australian Bonds (1908) - - - - -		4	300 - - „ 100	300
Provision for possible restoration to widows' allowances - - - - -	12,248	Bristol Water Works Perpetual Debenture Stock - - - - -		3½	5,000 - - „ 110	5,500
85l. 12s. 8d. per annum paid to Cambridge Asylum on behalf of a widow - - - - -	437	Great Western Railway Debenture Stock - - - - -		4	44,151 3 6 „ 100	57,397
Funeral allowances - - - - -	1,754	East Indian Railway Annuity (Class D.) - - - - -		-	54,106 - - „ 140	75,747
Officers :		East Indian Railway Annuity 1,623l. 3s. a year (Class C.) - - - - -		-	- „ 24	38,966
1,619l. per annum to 37 widows - - - - -	10,916					
98l. per annum to six re-married widows, with provision for restoration to full allowances - - - - -	1,191					
Funeral allowances - - - - -	411					
Allowances to infirm orphans - - - - -	5,144					
Pensions - - - - -	1,317					
Management expenses, and Commission on Post Office Orders - - - - -	18,950					
Total - - - - -	174,161					
Surplus - - - - -	15,462					
£.	189,623					£. 189,623

There are remaining on the books 665 widows of non-commissioned officers, soldiers, and seamen, in receipt of pensions amounting to 15,623*l.* per annum, against which a reserve of 110,892*l.* is placed. For increased allowances on the attainment of age 70, a further sum of 2,367*l.* is held. There are now only 194 widows of non-commissioned officers, soldiers and seamen, under 70 years of age, and the class is rapidly diminishing year by year.

£. 1,583 per annum, payable to 232 re-married women, is valued at 12,534*l.*, with an additional 12,248*l.* to provide for the restoration of full widows' allowances in the event of their present husbands pre-deceasing them.

There were 43 widows of officers of higher rank in receipt of 1,712*l.* per annum, at a charge of 12,107*l.* which includes the provision for possible restoration to widows' pensions in the case of six who are re-married.

There have been seven deaths among officers' widows reported since December 1898, and one case has been removed from the books as not having been heard from for seven years.

No changes have taken place in the numbers of infirm orphans receiving allowances. A sum of 5,144*l.* is reserved to meet this liability.

The total liabilities are estimated at 174,161*l.*

The securities forming the assets of the fund are estimated at 189,623*l.*, showing a surplus of 15,462*l.*

PATRIOTIC (GENERAL) FUND.

31 December 1900.

LIABILITIES.		£.	ASSETS.		Per cent.	£.	£.
8,768 <i>l.</i> per annum to 768 widows	- - - - -	59,380	Canada Government Bonds (Reduced), 1910	- - - - -	4	17,800 at 100	17,800
Management expenses	- - - - -	4,000	North-Eastern Railway Debenture Stock	- - - - -	8	80,000 " 100	80,000
Total	- - - - -	63,380	Great Indian Peninsular Railway Debenture Stock	- - - - -	4	8,800 " 124	10,912
Surplus	- - - - -	91,242	South Australian Bonds (1908-29)	- - - - -	4	11,100 " 100	11,100
			Cape of Good Hope Bonds, redeemable by annual drawings	- - - - -	4½	13,000 " 102	13,260
			London, Brighton and South Coast Railway Perpetual Debenture Stock	- - - - -	4½	15,000 " 145	21,750
		£. 154,622				£. 154,622	

There were 768 widows of non-commissioned officers and men in receipt of relief from this fund, the annual charge for whom was 8,768*l.*, and the reserve required 63,380*l.*, inclusive of a provision for management and other expenses.

The value of the assets is placed at 154,622*l.*, thus disclosing a surplus of 91,242*l.*

The financial position of this fund is such that the Commissioners will be able to carry out their previously expressed desire to grant pensions to outstanding applicants.

"CAPTAIN" RELIEF FUND.

31 December 1900.

LIABILITIES.		£.	ASSETS.		Per cent.	£. s. d.	£.
808 <i>l.</i> per annum to 40 widows and deferred allowances	- - - - -	10,584	Consols	- - - - -	2½	1,728 9 7 at 98	1,603
51 <i>l.</i> per annum to 2 relative	- - - - -	133	Canada Inscribed Stock (1910)	- - - - -	4	11,915 - - " 100	11,915
268 <i>l.</i> per annum to 38 re-married women, with provision for increased allowances on death of husband	- - - - -	6,024	South Australian Bonds (1899-1909)	- - - - -	4	5,500 - - " 100	5,500
Funeral allowances	- - - - -	128	Great Western Railway Debenture Stock	- - - - -	4	600 - - " 130	660
Allowances in sickness	- - - - -	20	Cash	- - - - -	-	831 - 7	831
Management expenses and commission on Post Office Orders	- - - - -	617					
Total	- - - - -	17,461					
Surplus	- - - - -	3,048					
		£. 20,499				£. 20,499	

Pensions and deferred allowances to 40 widows on this fund are valued at 10,534*l.*, and the allowances to 38 re-married women are valued at 6,024*l.*, which includes provision for increased allowances in the event of the death of their husbands.

The value of the assets is placed at 20,499*l.*, which shows a surplus over the total liabilities of 3,048*l.*

"EURYDICE" RELIEF FUND.

31 December 1900.

LIABILITIES.	£.	ASSETS.	Per cent.	£ s. d.	£.
841 <i>l.</i> per annum to 18 widows, and deferred allowances	5,262	Consols	2½	8,187 8 - at 98	2,964
88 per annum to 12 re-married women, with provision for increase on death of husband	2,116	Metropolitan Consolidated Stock (1929)	2½	8,275 17 8 " 105	3,440
81 per annum to three widows of officers, and deferred allowances	1,245	Queensland Inscribed Stock (1915)	4	4,232 12 6 " 102	4,419
Funeral allowances	48	Queensland Inscribed Stock (1924)	4	786 15 0 " 102	751
Provision for three special cases of sickness and infirmity	424				
Management expenses, and commission on Post Office Orders	800				
Total	9,495				
Surplus	2,079				
£.	11,574			£.	11,574

There are 21 widows and 12 re-married women in receipt of allowances from this fund. The value of these allowances (including deferred allowances) is placed at 8,723*l.* An amount of 424*l.* is reserved for three special cases of sickness and infirmity.

The total value of the assets is placed at 11,574*l.*, and the surplus shown, after providing for management and other expenses, is 2,079*l.*

ZULU WAR FUND.

31 December 1900.

LIABILITIES.	£.	ASSETS.	Per cent.	£ s. d.	£.
555 <i>l.</i> per annum to 32 widows of non-commissioned officers and men, and deferred allowances	9,744	Consols	2½	841 5 1 at 98	782
70 <i>l.</i> per annum to 11 re-married women	1,155	Metropolitan Consolidated Stock (1929)	2½	804 2 8 " 105	319
Provision for restoration to full allowances on further widowhood of 28 re-married women	2,405	South Australian Bonds (1907-9)	4	9,200 - - " 100	9,200
254 <i>l.</i> per annum to six widows of officers and deferred allowances	3,513	Victoria Bonds (1904)	4½	10,800 - - " 100	10,800
Funeral allowances	128				
Allowances in sickness	65				
Management expenses and commission on Post Office Orders	610				
Total	17,621				
Surplus	3,480				
£.	21,101			£.	21,101

There were 32 widows in receipt of pensions of a total value of 9,744*l.*; 28 re-married women are provided for by a reserve of 3,560*l.*, which includes provision for increased allowances on further widowhood. There were also 6 widows of commissioned officers, whose allowances are valued at 3,513*l.*

There is a surplus of 3,480*l.*, the total value of the assets being stated at 21,101*l.*

"ATALANTA" RELIEF FUND.

31 December 1900.

LIABILITIES.	£.	ASSETS.	Per cent.	£	£.
140 <i>l.</i> per annum to 8 widows of non-commissioned officers and men, and deferred allowances . . .	2,480	South Australian Bonds (1907-29) . . .	4	7,600 - - at 100	7,600
78 <i>l.</i> per annum to 10 re-married women, with provision for restoration to full allowance on death of husband . . .	1,976				
106 <i>l.</i> per annum to 8 widows of officers, and deferred allowances . . .	1,691				
Funeral allowances . . .	46				
Allowances in sickness . . .	117				
Management expenses and commission on Post Office Orders . . .	150				
Total . . .	6,460				
Surplus . . .	1,140				
£.	7,600			£.	7,600

There were only 21 widows remaining on this fund, the allowances to whom (inclusive of deferred allowances) are valued at 6,147*l.* An additional sum of 117*l.* is set aside for allowances in sickness.

The assets are represented by one security only, 7,600*l.* South Australian Bonds 4 per cent. (redeemable 1907 to 1929). For the purpose of the fund these bonds are valued at par, and the surplus shown is 1,140*l.*

SOLDIERS' EFFECTS FUND.

31 December 1900.

LIABILITIES.	£.	ASSETS.	Per cent.	£ s. d.	£.
5,076 <i>l.</i> per annum to 247 widows and dependent relatives . .	98,178	Belfast Corporation Stock (1924) . . .	3½	8,000 - - at 100	8,000
Temporary allowances to 559 orphans . . .	19,859	Consols . . .	2½	21,229 16 11 " 98	19,748
Management expenses, and commission on Post Office Orders	6,000	Leeds Corporation Stock (1927) . . .	4	10,000 - - " 108	10,800
Total . . .	124,032	Metropolitan Consolidated Stock (1929) . . .	2½	3,286 12 8 " 105	3,451
Surplus . . .	27,811	Portsmouth Corporation Stock (1912-33) . . .	3	8,482 3 10 " 95	8,011
		Cape of Good Hope Bonds redeemable by annual drawings	4½	2,100 - - " 102	2,142
		New Zealand Consolidated Stock (1929) . . .	4	26,698 10 - " 105	28,088
		New Zealand Inscribed Stock (1940) . . .	2½	1,007 11 10 " 100	1,008
		Queensland Inscribed Stock (1915) . . .	4	6,648 1 - " 102	6,776
		Do. do. (1924) . . .	4	5,000 - - " 102	5,100
		South Australian Bonds (1907-16) . . .	4	20,200 - - " 100	20,200
		West Australian Bonds (1902) . . .	4	8,900 - - " 100	8,900
		Bristol Water Works Perpetual Debenture Stock . . .	2½	12,500 - - " 110	12,750
		East and West India Dock Consolidated Debenture Stock	3	6,812 - - " 75	5,109
		East and West India Dock Preference Stock . . .	4	1,529 - - " 65	1,195
		London and S. Katherine's Docks Debenture Stock . . .	4	7,500 - - " 115	8,625
		Manchester Ship Canal 1st Debenture (1914) . . .	4	5,000 - - " 100	5,000
		Mersey Dock and Harbour Board Annuity . . .	2½	6,000 - - " 100	6,000
£.	161,843			£.	161,843

The number of widows in receipt of relief from this fund was 347, at an annual charge of 5,076*l.*, the value of which is placed at 98,173*l.*

Temporary allowances to 559 orphans are in course of payment, which will be met by a reserve of 19,859*l.* Setting aside an additional sum of 6,000*l.* to meet management and other expenses, the fund shows a surplus of 37,811*l.*, the total value of the assets being placed at 161,843*l.*

In view of the large surplus disclosed, extended benefits might be given from this fund, either by increasing present allowances or by grants to new annuitants, unless for some reason it is desired to maintain the capital at a certain amount.

ASHANTEE WAR FUND.

31 December 1900.

LIABILITIES.		£.	ASSETS.			Per cent.	£.	£.
96 <i>l.</i> per annum to 9 widows	- - - - -	1,223	New South Wales Bonds (1905)			4	800 at 100	800
Cost of restoring full allowance on further widowhood to 15 married women	- - - - -	611	Queensland (1915)	Inscribed	Stock	4	1,050 " 102	1,071
Management expenses, and commission on Post Office Orders		60					Total - - -	1,871
			Deficiency - - - - -					23
		£. 1,894					£.	1,894

No changes have taken place during 1900 in the numbers in receipt of relief from this fund. There are 9 widows receiving 96*l.* a year, at a total charge of 1,223*l.*

There are besides 15 re-married women on the books who are not at present in receipt of any allowances. As we are asked if the funds in hand will permit of full widows' pensions being granted to them in the event of their husbands' deaths, we have included an additional charge of 611*l.* for this purpose.

The total liabilities, inclusive of 60*l.* set aside for expenses, are 1,894*l.*

The total value of the assets is placed at 1,871*l.*, showing a deficit of 23*l.*, if the contingent allowances to re-married women are to be promised.

In the event of the funds being consolidated, as suggested in our Report, the full widows' pensions could be granted to the re-married women, and the small deficiency disregarded, owing to the increased facility in dealing with the assets which would then be afforded.

BALACLAVA (LIGHT BRIGADE) RELIEF FUND.

31 December 1900.

LIABILITIES.		£.	ASSETS.			Per cent.	£.	£.
4 <i>l.</i> 1 <i>s.</i> - $\frac{1}{2}$ <i>d.</i> per week to 18 survivors	- - - - -	1,551	Cape of Good Hope Bonds, redeemable by annual drawings			4 $\frac{1}{2}$	1,800 at 102	1,836
Management expenses, and commission on Post Office Orders	- - - - -	60	South Australian Bonds	- -		4	400 " 100	400
Total	- - -	1,611						
Surplus	- - - - -	625						
		£. 2,236					£.	2,236

There were 18 survivors from the Light Brigade in receipt of weekly allowances, amounting in all to 4*l.* 1*s.* - $\frac{1}{2}$ *d.* the total value of which is placed at 1,551*l.*, and the total liability under the fund is 1,611*l.*, while the assets are valued at 2,236*l.* There is thus an available surplus of 625*l.*

We believe that it is desired to increase in some cases the present allowances. The surplus brought out is sufficient to permit the grant of an additional weekly allowance of 30*s.*, taking the average age of the present recipients at 70, making a total of 5*l.* 11*s.* - $\frac{1}{2}$ *d.* It is important to note that this recommendation is based on the assumption that all pensions will be increased in proportion. If the pensions which it is desired to supplement are mainly on lives under 70, the weekly addition will be somewhat smaller; while, on the other hand, if the older men are to receive the bulk of the increase, the cost to the fund will not be so great.

"VICTORIA" RELIEF FUND.

31 December 1900.

LIABILITIES.	£.	ASSETS.	Per cent.	£. s. d.	£.
Non-commissioned Officers and Men:		Liverpool Corporation Stock (non-redeemable) - - -	3½	17,130 12 6 at 115	19,700
1,181l. per annum to 51 widows	23,240	Portsmouth Corporation Stock (1912-23) - - - - -	3	5,008 1 11 „ 95	4,753
228l. per annum to 22 re-married women, with provision for restoration to full allowance - - -	5,651	Wigan Corporation Stock (1921) - - - - -	3	15,150 - - „ 95	14,388
151l. per annum to 11 male relatives - - - - -	988	Queensland Inscribed Stock (1915) - - - - -	4	2,230 14 7 „ 102	2,275
537l. per annum to 41 female relatives - - - - -	5,500	Manchester Ship Canal 1st Debentures, 2nd Issue (1914) -	4	13,500 - - „ 100	13,500
281l. per annum dependent on 24 couples - - - - -	3,647	Mersey Dock and Harbour Board Annuity - - - - -	3½	4,700 - - „ 100	4,700
Temporary allowances to 90 orphans - - - - -	1,075				
Temporary allowances to 12 orphans of dependent relatives - - - - -	384				
Officers:					
240l. per annum to 6 widows - - - - -	3,483				
108l. per annum to 6 dependent relatives - - - - -	1,416				
Temporary allowances to 3 orphans - - - - -	274				
Funeral allowances - - - - -	226				
Allowances in sickness - - - - -	269				
To provide for contingency of prolonged allowances in infirmity - - - - -	700				
Outfits for 23 orphans - - - - -	2,103				
Management expenses, and commission on Post Office Orders - - - - -	1,700				
Total - - - - -	49,696				
Surplus - - - - -	9,625				
	£. 59,321				£. 59,321

Comparatively few changes have taken place in the numbers of widows and re-married women in receipt of pensions from the "Victoria" Relief Fund during 1900.

There were 57 widows in receipt of allowances of 1,421l. a year, the value of which is placed at 25,723l.

Twenty-two re-married women are in receipt of 228l. a year, with a possibility of restoration to full allowances on again becoming widowed. The amount set aside for these is 5,651l.

The allowances to dependent relatives are valued at 11,611l., and those to orphans at 2,413l. During the year 22 orphans were taken off the books, of whom seven have been sent to schools, the remainder passing off as above the age to which children's allowances extend.

The total liabilities are brought out at 49,696l., and the total value of the assets at 59,321l., showing a surplus of 9,625l.

VALUATION SUMMARY.

31 December 1900.

Name of Fund.	Liabilities.	Assets.	Surplus.	Deficiency.
	£.	£.	£.	£.
Patriotic (Russian War, 1854-6) Fund - - -	174,161	189,623	15,462	—
Patriotic (General) Fund - - - - -	63,380	154,622	91,242	—
"Captain" Relief Fund - - - - -	17,451	20,499	3,048	—
"Eurydice" Relief Fund - - - - -	9,495	11,574	2,079	—
Zulu War Fund - - - - -	17,621	21,101	3,480	—
"Atalanta" Relief Fund - - - - -	6,460	7,600	1,140	—
Soldiers' Effects Fund - - - - -	124,032	161,843	37,811	—
Ashantee War Fund - - - - -	1,894	1,871	—	23*
Balaclava (Light Brigade) Relief Fund - - -	1,611	2,236	625	—
"Victoria" Relief Fund - - - - -	49,696	59,321	9,625	—
£.	465,801	630,290	164,512	23

* This deficiency will only arise in the event of full widows' allowances being in future granted to re-married women on the death of their husbands, as mentioned above.

The Royal Commissioners of the Patriotic Fund will be fully aware that rates of mortality can only be employed with confidence when applied to large bodies, for otherwise the discrepancy between forecast and fact is apt to be at times great. We, therefore, venture to recommend a general consolidation of the Funds, so that one set of assets would be the security for a variety of liabilities co-ordinated in proper proportion and with due provision for the disposal of any surplus (or deficiency). It is practically impossible that funds so small as are some of those under consideration can be worked out without serious departures from the averages upon which all valuations such as the present are based; and, moreover, great advantage would ensue, if a consolidation were effected, from the freedom then practicable for the selection of investments for sale.

We would further suggest that power should be obtained (if it is not held at present) for making investments in what are called "wasting" securities—loans, for instance, repayable in the form of annuities during periods of years, the annuities, Class A., of Indian Railways, &c.—for thus much selling of stocks might be avoided.

In conclusion, we desire to express our acknowledgment of your courteous assistance while we have been pursuing our investigation.

We are, &c.,

C. D. Higham, President.

Ernest Woods

F. Schooling

} Honorary Secretaries. }

On behalf of the Council of
the Institute of Actuaries.

To Colonel J. S. Young,
Secretary, Royal Commission on the Patriotic Fund.

I N D E X.

I N D E X.

[*N.B.*—In this Index the Figures following the Names of the Witnesses, and those in the Digest of Evidence of each Witness, refer to the Questions in the Evidence; the Figures following *App.* to the Pages in the Appendix; and the Numerals following *Rep.* to the Pages in the Report and Proceedings of the Committee.]

A.

ACCIDENTAL DEATHS. Statement to the effect that the Government scheme applies only to the widows of men killed in action or who have died from injuries received in action, deaths through accident not being included, *Spring-Rice* 2182–2190. 2204–2206.

ACTUARIAL CALCULATIONS (VALUATION OF LIABILITIES AND ASSETS):

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Report, dated 8th July 1901, made by the Institute for the Patriotic Fund Commissioners; explanations in detail in connection therewith respecting the assets and liabilities, *Higham* 2596–2618—Precautions taken by the Institute to make their calculations on the best possible basis, *ib.* 2600, 2601—Statement to the effect that only ten funds were referred to the Institute for valuation, *ib.* 2606, 2607.

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Report of the Institute of Actuaries (handed in by Mr. Higham), dated 8th July 1901, upon the various funds submitted to the Institute for valuation, showing the liabilities and assets in each case, and the surplus or deficiency on 31st December 1900; *App.* 152–162.

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Applications for Pensions. Statement of the forms required by the Patriotic Fund Commissioners in connection with applications for pensions to widows and orphans; very careful investigation by a sub-committee of the executive committee, three forming a quorum, *Young* 1096-1118. 1132-1137—Frequent exercise of the right of appeal when applications are refused, *ib.* 1102, 1103. 1116-1118.

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C.

Cambridge, H.R.H. The Duke of. Letter from the Duke of Cambridge (President of the Patriotic Fund) to Mr. Balfour, dated 8th February 1900, concerning the proposed scheme of State pensions, *Young* 596, 597. 641.

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"Captain" Fund. Explanation, together with documentary evidence, as to the pensions paid out of the "Captain" Fund, *Young* 753-783. 792-805. 2730-2763—Further particulars concerning the "Captain" Fund, a part of which was transferred under Act of Parliament to the Patriotic General Fund, *ib.* 2518-2524. 2728-2768.

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Proposals for the constitution of a central committee or body of trustees, which should include representatives of the Treasury, Army, Navy, of Greenwich and Chelsea Hospitals, and of several voluntary funds, and should distribute pensions through Chelsea Hospital and Greenwich Hospital, *Gildea* 2231-2243. 2253 *et seq.*—Suggestions for the separate representation on the central body of widows and orphans, wives and families, sick and wounded, respectively, each fund or charity sending a representative of its objects, *ib.* 2253-2268.

Explanation that witness does not propose that the new body should control the Government scheme or have power to alter the Royal Warrant, *Gildea* 2269-2273—Conclusion that the central body should initiate appeals to the public; contemplated action locally through the Lord Lieutenant of each county, *ib.* 2288-2350.

Examination in reply to several objections as regards the constitution and powers of the proposed central body and their mode of action in the collection and distribution of funds, *Gildea* 2288 *et seq.*

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Information concerning the Chelsea Hospital pensions and their mode of administration, *Marzials* 305-308. 322.

Discretion in the Chelsea Hospital Commissioners to give a certain rate of pension or no pension at all, *Salis-Schwabe* 1753-1756—Constitution of the Hospital Board, the members of which are appointed by Royal Warrant; great increase in the labours of the Board owing to the Transvaal War, *ib.* 1757-1766. 1818.

Conditions imposed on applications for service pensions, to which all are entitled who have been 21 years in the ranks or the non-commissioned ranks; absence of discretion in the Commissioners as to service pensions, *Salis-Schwabe* 1767-1771. (0.21.)

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CHELSEA HOSPITAL (PENSION SYSTEM)—continued.

1837, 1838. 1865-1867—Evidence respecting the various conditions as to disability pensions, which require careful investigations by the Board; causes tending to vary the rates of these pensions, *Salis-Schwabe* 1772-1778. 1868-1871—Grant of disability pensions for twelve months conditionally, details concerning the process of renewal, *ib.* 1778-1785. 1839.

Precautions taken, when inquiring about an applicant for renewal, to raise no suspicion against his character; assistance rendered by the various soldiers' and sailors' associations in ascertaining the truth regarding pensioners, *Salis-Schwabe* 1783-1787. 1827-1829—Evidence concerning the conditions attaching to campaign pensions and the means employed to obtain the necessary information, *ib.* 1788-1793. 1797.

Belief that the methods of the hospital have satisfied the public; explanation that the Commissioners are answerable to Parliament direct and liable to public criticism, *Salis-Schwabe*, 1797-1803. 1864—Strong support of the suggestion that the Chelsea Board could undertake the award of pensions or supplementary pensions to widows; additions necessary to the staff to ensure adequacy and efficiency, *ib.* 1804-1814. 1872-1901.

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Explanation, together with documentary evidence, as to the Colonial widows and orphans who have sent in claims to the Commissioners and the steps taken in response, *Young* 1914-1969—Recognition by the Commissioners of the claims of the Colonies, owing to their having subscribed over 50,000*l.* to the Transvaal War Fund, *ib.* 1921-1969—Statement that seventeen widows in Natal and thirty-one in Cape Colony are now being paid out of the Patriotic Fund; reasons for smaller payments to Cape Colony than to Natal, *ib.* 1942-1954.

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Commutation of Pension. System at Chelsea Hospital regarding the commutation of soldiers' pensions, *Salis-Schwabe* 1794-1796. 1830-1836.

D.

"DAILY TELEGRAPH" FUND:

Explanation as regards the "Daily Telegraph" Fund that it was initiated in October 1899, its main object having been the relief of the widows and children of men killed in South Africa, *Sir E. Lawson* 1424-1434—Total of 250,196*l.* collected in shilling subscriptions, chiefly in London, Scotland, and the home counties; very little help from the midland counties, *ib.* 1436. 1442, 1443. 1490-1497—Special grants and compassionate allowances to the amount of 10,599*l.*, leaving 239,597*l.* available for widows and orphans, *ib.* 1436.

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"DAILY TELEGRAPH" FUND—continued.

Particulars as to the expenditure from the fund under different heads; total of 188,111*l.* as the cost of annuities, whilst 36,829*l.* was lodged in Post Office savings books of widows and orphans, and 14,656*l.* went to the children's trust account books, *Sir E. Lawson 1436 et seq.*

Exceeding liberality of Scotland in contributing to the fund, this having direct reference to the number and amount of the Scotch annuities: recognition of the very valuable assistance rendered from the first by the "Scotsman," *Sir E. Lawson 1439, 1440. 1442, 1443. 1490. 1528-1539.*

Statistics as to the number of widows and orphans relieved from the fund and as to the amount and number of individual annuities and of weekly grants; total of 659 annuitants, *Sir E. Lawson 1440 et seq.*—Entire closing of the fund upon the Government scheme of pensions coming into operation; all the money will, in fact, have been sunk in annuities and grants, *ib. 1440. 1480-1487. 1503-1505. 1547-1549. 1570-1589.*

Large proportion of the fund ear-marked for special or local distribution; in Scotland every shilling raised locally has been spent locally, *Sir E. Lawson 1440. 1442, 1443. 1488, 1489. 1528-1539*—Reference to the annuities to widows as irrevocable, the same payment going on even though a widow may re-marry or be guilty of immorality, *ib. 1440. 1443. 1450-1459. 1498, 1499. 1503-1505.*

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Dependent Relatives. Entire approval of continued grants to aged dependent relatives as from the Patriotic Fund, *Young 1233.*

Assistance required in the case of "other dependents" not dealt with under the Government scheme, *Rep. ix.*

Diversion of Funds. Concurrence generally in the proposition that when a fund has been subscribed for a particular set of sufferers it should be exhausted in their behalf, *Sir E. Lawson 1572-1575*—Conclusion that neither the money distributed out of the Cambridge Fund or the Wolseley Fund should be diverted in aid of a Government scheme of pensions; grounds for strongly objecting to such diversion, *Sheean 1652-1661. 1667-1681. 1701-1707.*

Dowell, Admiral Sir William, G.C.B. (Digest of his Evidence.)—Witness is Chairman of the Committee of the Royal Naval Fund, 1595, 1596.

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Opinion that the Patriotic Fund Commissioners (of whom witness is one) are doing a great deal of good; approval more especially of the system upon which the Victoria Fund is constituted and administered, 1617-1619.

Draft Report. Draft Report proposed by the Chairman of the Committee, *Rep. xiii-xvi.*—Adoption thereof, subject to some amendments, *ib. xvi-xviii.*

E.

"Edgar" and "Serpent" Funds. Full particulars relating to the "Serpent" and the "Edgar" boat funds and the number of widows and orphans now receiving support therefrom; evidence to the effect that these widows will shortly be left without any means of relief, *Gildea 2022-2036. 2079-2082*—Contention that there are surpluses available from the Naval Funds which could be utilised in place of the "Edgar" and "Serpent" Funds, *ib. 2022-2036.*

"Eurydice" Relief Fund. Report of the Institute of Actuaries showing the liabilities and assets on 31st December 1900, *App. 155.*

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G.

Gildea, Colonel James, C.V.O., C.B. (Digest of his Evidence.)—Witness is Chairman of the Executive Committee of the Soldiers and Sailors' Families Association; also Treasurer and one of the Trustees, 1990.

Full details, accompanied by documentary evidence, respecting the objects and the constitution of the Association, which has about 12,000 representatives, 1990–2011—Information concerning receipts and expenditure; successful efforts to minimise the London office expenses, 2012–2024. 2036–2094.

Full particulars relating to the “Serpent” and the “Edgar” boat funds, and the number of widows and orphans now receiving support therefrom; evidence to the effect that these widows will shortly be left without any means of relief, 2022–2036. 2079–2082—Contention that there are surpluses available from the Naval Funds which could be utilised in place of the “Edgar” and “Serpent” funds, 2022–2036.

Custom of the Association to have their accounts regularly audited, 2036—Issue of an appeal by the Association on 13th October 1899; liberal response to the appeal in 1899, and still more so in 1900; 2036–2051—Reference to Queen Alexandra's last appeal; large amount produced, 2052–2067.

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Policy with reference to local committees and their connection with the central body, 2098–2108—Belief that in future the local independent bodies will join hands with the Association, 2109–2114—Adequate relief always been given in those cases to which the attention of the persons in authority has been drawn, 2115, 2116.

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Doubt as to any necessity for a national organisation having the impress of an Act of Parliament, *Young* 962, 963—Great financial relief to the Patriotic Fund Commissioners under the Government scheme of giving State pensions to the widows and orphans of all soldiers married “on the strength” who have died in or through the Transvaal War, *ib.* 1216–1221.

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GOVERNMENT SCHEME OF PENSIONS—continued.

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Explanation on the part of the Treasury that the Government scheme of pensions is now settled in its main lines, some details only remaining to be arranged, *Spring-Rice* 2117-2121—Statement showing the qualifications as to the widows who are to receive pensions under the scale; provisions as to their husbands having been on the strength, as to the cause of death, &c., *ib.* 2122-2124—Condition as to pensions not going back before the present war, *ib.* 2127, 2128.

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H.

Higham, Charles Daniel. (Digest of his Evidence.)—Witness, who is President of the Institute of Actuaries, reads a report dated 8th July 1901, made by the institute for the Patriotic Fund Commissioners; explanations in detail in connection therewith respecting the assets and liabilities, 2596-2618—Precautions taken by the institute to make their calculations on the best possible basis, 2600, 2601—Statement to the effect that only ten funds were referred to the institute for valuation, 2606, 2607.

Care taken to make ample allowance for the liabilities; opinion that there would be perfect safety in acting on the figures contained in the report, 2608-2615—Conclusion strongly in favour of a general consolidation of the funds, with a view to facilitating their management, 2616-2618.

[Second Examination.]—Explanation that the summary in the report contains everything referred to the institute for valuation, 2623-2626. 2636-2639—Evidence respecting the basis of the estimates of management expenses; opinion that consolidation of the funds would reduce the expenses of management, 2627-2635. 2685-2694.

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I.

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Inquiries (Applications for Pensions). Several other sources besides the War Office, whence information is obtained by the Patriotic Fund Commissioners, as to deaths in South Africa, and as to the existence of widows, *Young* 920-938—Consideration of the system to be adopted in making inquiries and obtaining complete information in the event of the pensions granted by the Government and by the Patriotic Fund Commissioners being under one administration; suggestions hereon as to the valuable assistance to be rendered by local bodies or county committees, *ib.* 1238-1258.

System of inquiry and verification in connection with the "Daily Telegraph" Fund, through local or county committees, and through the War Office, in order to prevent overlapping before any annuity was granted; instances of relief in cases taken up also by the Patriotic Fund Commissioners, *Sir E. Lawson* 1460-1472. 1500-1502. 1550-1553. 1576, 1577.

Difficulty of proving the claims of widows to pensions, owing to private earnings not divulged, *Salis-Schwabe* 1814-1817—Facility of obtaining information through the local officers who are in touch with the regiment to which the deceased soldier belonged, *Spring-Rice* 2153. 2165. 2203—Excellent facilities, by means of the local committees, for making inquiry and obtaining information before pensions or allowances are awarded, *Gildea* 2210-2226.

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"Irish Times" Fund. Limit of the "Irish Times" Fund to the relief of the widows of soldiers of Irish regiments, *Young* 939, 940—Special arrangement with the "Irish Times" as regards the aid from the "Daily Telegraph" Fund towards Irish annuities, *Sir E. Lawson* 1440, 1441. 1443.

J.

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K.

Kearley, Hudson E. (Member of the Committee). (Digest of his Evidence.)—Explanation to the effect that, replying to a question put by witness in the House on 14th March, Mr. Brodrick stated that the conditions respecting grants for the relief of widows and orphans of soldiers were not settled, but the rates were decided on and payments would commence on 1st July 1901; 2-7.

Kilmainham Hospital. Explanation that the Dublin Military Schools and the Royal Hospital at Kilmainham are not under Chelsea Hospital, *Salis-Schwabe* 1902.

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Lambert, George Thomas, C.B. (Digest of his Evidence.)—Witness is Director of Greenwich Hospital and head of the pension system; he has also acted as Honorary Secretary to the Central Council for the organisation of the War Relief Funds, 8-30.

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1. *Generally as to the Constitution, Powers, and Working of the Commission.*
2. *Financial Details; Valuation of Assets and Liabilities.*
3. *Victoria Asylum and School.*
4. *Question of Consolidation of the various funds and of Transfer to one Central Organisation.*
5. *Conclusions and Recommendations of the Committee.*

1. *Generally as to the Constitution, Powers, and Working of the Commission:*
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of

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[Fourth Examination.]—Considerable pressure put by witness upon the Institute of Actuaries to supply their report and valuation as promptly as possible, whilst all the information required by them from witness has been readily placed at their disposal; great labour involved, 2352–2362—Further pressure to be exercised, as requested by the Committee, 2353–2362.

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Young, Colonel John Smith. (Digest of his Evidence)—*continued*.

council of which have volunteered to make the valuations, 2498–2511. 2532. 2534—Evidence to the effect that the Institute have been given access to all the books and papers of the Patriotic Fund, 2512–2517.

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Account in full of the circumstances attending the origin of the Transvaal War Fund and the placing of responsibility with the Patriotic Fund Commissioners, 2591–2595—Undertaking by the Commissioners that as regards the Transvaal War Fund every penny should be devoted to the particular set of sufferers for which it was subscribed, 2594, 2595—Explanation as to the reasons for referring only ten funds to the Institute of Actuaries for valuation, instead of the nineteen mentioned in witness’ previous evidence, 2619–2622—Further reasons for not referring all the funds to the institute for valuation, 2699–2702. 2777–2782. 2809—Information in full as to the present position and past history of the Rodriguez Fund, which was always excluded from Mr. Finlaison’s examination, 2702–2709. 2777–2784.

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SPECIAL REPORT

FROM THE

SELECT COMMITTEE

ON THE

CIVIL LIST.

*Ordered, by The House of Commons, to be Printed,
15 March 1901.*

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1901.

CIVIL LIST.

[Monday, 11th March 1901]:—Copy presented,—of Accounts and Estimates relating to the Civil List (by Command); to lie upon the Table.

Paragraph in the King's Speech respecting the Civil List at the opening of Parliament, and His Majesty's Message of the fifth day of this instant March, read as follows :—

Gentlemen of the House of Commons,

The demise of the Crown renders it necessary that a renewed provision shall be made for the Civil List. I place unreservedly at your disposal those hereditary revenues which were so placed by My predecessor ; and I have commanded that the Papers necessary for a full consideration of the subject shall be laid before you.

EDWARD R.

His Majesty being desirous of making competent provision for the honourable support and maintenance of His Son, the Duke of Cornwall and York, His Daughter-in-law, the Duchess of Cornwall and York, and His Daughters, the Princess Louise, Duchess of Fife, the Princess Victoria, and Princess Charles of Denmark, and being further desirous that similar provision should be made for Her Majesty the Queen in the event of Her surviving Him, and for the Duchess of Cornwall and York in the event of Her surviving the Duke of Cornwall and York, recommends the consideration thereof to His Majesty's faithful Commons, and relies on their attachment to adopt such measures as may be suitable to the occasion.

Motion made, and Question proposed, "That a Select Committee be appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's Family":—(Mr. Chancellor of the Exchequer):—

Amendment proposed, at the end of the Question, to add the words "and to prepare a Report for presentation to this House showing in detail every item of expenditure from public funds towards the support and maintenance of the Royal Family"—(Mr. Keir Hardie).

Question proposed, "That those words be there added"—Amendment, by leave, *withdrawn*.

Ordered, That a Select Committee be appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's Family.

That the several Papers presented this day relating to the Civil List be referred to the Committee.

That the Committee do consist of Twenty-one Members.

That Mr. Balfour, Mr. Bartley, Sir John Brunner, Sir Henry Campbell-Bannerman, Mr. Chancellor of the Exchequer, Sir Frederick Dixon-Hartland, Sir William Hart Dyke, Sir Henry Fowler, and Sir William Harcourt be Members of the Committee.

Motion made, and Question put, "That Sir Samuel Hoare be one other Member of the Committee"—(Mr. Chancellor of the Exchequer)—The House divided: Ayes 300, Noes 25.

That Mr. Jackson be one other Member of the Committee.

Motion made, and Question put, "That Sir James Kitson be one other Member of the Committee"—(Mr. Chancellor of the Exchequer)—The House divided: Ayes 307, Noes 17.

That Mr. Labouchere, Mr. Macartney, Mr. McKenna, Mr. Mildmay, Mr. Renshaw, Mr. W. F. D. Smith, Mr. Stevenson, Mr. Warr, and Mr. Wharton be other Members of the Committee.

That Five be the quorum—(Mr. Chancellor of the Exchequer).

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R E P O R T.

THE Select Committee appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's family:—Have considered the matters and papers to them referred and have agreed to the following Report:—

At the outset it may be convenient to recite the charges on the Consolidated Fund in respect of the Royal Family as they stood at the death of Her late Majesty. These may be stated as follows, so far as they come within the purview of the Committee:—

	£.
(1.) Her Majesty's Civil List (omitting Class V., pensions granted under 1 Vict. c. 2, s. 5) - - - - -	385,000
(2.) His Royal Highness the Prince of Wales (26 Vict. c. 1) -	40,000
(3.) Her Royal Highness the Princess of Wales (26 Vict. c. 1)	10,000
(4.) Annuity under Prince of Wales's Children Act, 1889 (52 & 53 Vict. c. 35) - - - - -	36,000
	£. 471,000

Other annuities to members of the Royal Family, amounting to 72,000*l.* per annum, are not affected by the death of Her late Majesty, and therefore need not for present purposes be referred to.

The Civil List charge and that under the Act of 1889 (Nos. 1 and 4) continue until 22nd July next, being six months from the death of Her late Majesty; the annuity to the Prince of Wales ceased at Her late Majesty's death; and the annuity assigned to the Princess of Wales was made payable to Her present Majesty during Her marriage with His present Majesty. This Annuity will cease on the enactment of the new Civil List. It should be added that Her present Majesty is, under the Act 26 Vict. c. 1, entitled to an annuity of 30,000*l.* in the event of widowhood.

In performing the duty entrusted to them by the House, of considering the Estimate laid before them for the future Civil List of the Sovereign (Appendix, Account VII., p. 36), your Committee have been guided to a considerable extent by the actual expenditure during the last ten years of the late reign. In the Papers laid before Parliament by command of His Majesty (Appendix, Account II., p. 23) will be found full information on this subject, of the same kind as was given on previous occasions. From this it appears that the amount of 172,500*l.* at which Class III. (Expenses of the Household) was fixed by the Civil List Act of 1837, has, in each of the last thirteen years, except in 1888, proved insufficient for its purpose, and has been accordingly supplemented from the Privy Purse and other sources to the total amount of 170,256*l.* The Privy Purse was enabled to make good the deficiencies on Class III. owing to the Savings on the total amount of the Civil List which had accrued to it during the previous portion of the reign, as appears in Account I., p. 20 of the Appendix. It has therefore not been necessary for Her late Majesty to make any application to Parliament in respect of the increased expenditure of recent years. But the fact that such increase has occurred must be carefully borne in mind in considering the amount of the new Civil List, which can no longer be supplemented from the source referred to. In the interest both of the Crown and of the Nation it is essential that the Crown should, as has happily been the case during the late reign, avoid the necessity of special recourse to Parliament in respect of debts.

Your Committee proceed to report the results of their detailed consideration of the five classes of the new Civil List as submitted to them by His Majesty's Government (Appendix, Account VII., p. 36).

With respect to the First Class, which provides for the Privy Purse of their Majesties the King and Queen, your Committee, from the nature of the subject, have felt themselves precluded from enquiry. But having regard to precedent, they consider that they are making a reasonable proposition in recommending to the House to allot the sum of 110,000*l.* to this class, that being the amount at which the Privy Purse of King William the IV. and Queen Adelaide was fixed in 1830.

The Second Class comprehends not only the salaries of the Officers of State, but also other annual payments to persons belonging to the Court and the wages of servants. The Committee, in their enquiries into this Class, confined themselves mainly to the Officers of State, not thinking it consistent with the respect due to His Majesty to scrutinise the details of His domestic Household. The Estimate of the ultimate future charge for salaries in each of the three Household Departments, submitted to the Committee by His Majesty's Government, was based upon proposals for the abolition of unnecessary offices, and for the reduction of salaries as vacancies occur, which followed from an inquiry instituted by the command of His Majesty by the three Great Officers of State; the results of this inquiry appear in Appendix, Account VII., B., p. 38. The following reduction should be mentioned as affecting Parliamentary Officers :—

Treasurer of the Household, from 904*l.* to 700*l.*

Comptroller of the Household, from 904*l.* to 700*l.*

Vice-Chamberlain, from 900*l.* to 700*l.*

Lords in Waiting, from seven at 700*l.* to five at 600*l.*

Captain of the Gentlemen at Arms, from 1,200*l.* to 1,000*l.*

Captain of the Yeomen of the Guard, from 1,200*l.* to 1,000*l.*

Master of the Horse, from 2,500*l.* to 2,000*l.*

This Class contained provision of 1,500*l.* for the salary of the Master of the Buckhounds, and about 700*l.* for wages of the Huntsmen and Hunt servants. Your Committee do not think it advisable that the Mastership of the Buckhounds should be continued, nor do they think it necessary that the Royal Hunt should be maintained. They feel that it is for the Sovereign to decide whether and in what form encouragement should be given by His Majesty to any particular national sport; and they do not consider it desirable to impose on His Majesty an obligation to do so by devoting a portion of the Civil List specially to that object. They have therefore struck out from Class II. the sum of 2,200*l.* in respect of the items of 1,500*l.* and 700*l.* mentioned above; and from Class III. the sum of 4,000*l.* included therein (under the Master of the Horse's Department) for expenses of the Hunt. If this recommendation of your Committee were adopted the present Master of the Buckhounds would cease to hold office as soon as arrangements could be made for terminating the Royal Hunt.

Your Committee recommend that provision should be made in Class II. for "the King's Personal Staff." This includes His Majesty's Private Secretary and Assistants, the Keeper of the Privy Purse and his Staff, and others whose services are no less necessary to His Majesty than those of the Staff in the Departments of the three Great Officers of the Household. The sum of 10,500*l.* is inserted to cover these charges.

They recommend that the provision in Class II. for the Salaries, &c. of the Household Departments should be as follows :—

	£.
The Lord Steward's Department - -	29,000
The Lord Chamberlain's Department (including the Mistress of the Robes and other Members of the Queen Consort's Court) - - - - -	59,500
The Master of the Horse's Department - - - -	26,800
making, with the provision for the King's Personal Staff, a total for the Class of	125,800 <i>l.</i>

In the total of Class II. your Committee have included a sum to enable His Majesty to provide temporarily for the full salaries of offices which it is proposed ultimately to abolish or reduce, or for compensations on abolition, and also for the grant of pensions to servants who may gradually become incapacitated for further service. But they recommend that the Class shall be relieved from the present non-effective charge for pensions granted by Her late Majesty amounting to approximately 12,000*l.*, and that this sum, together with such further amount not exceeding in all 13,000*l.* per annum as may be necessary to provide for those members of Her late Majesty's Household who are entitled to pensions, and whose services will no longer be required, should be charged on the Consolidated Fund.

As the pensions so charged fall in, the Exchequer will reap the benefit, until the total amount of 25,000*l.* per annum has disappeared.

Your Committee next proceeded to inquire into the Third Class, viz., that for the expenditure in the Departments of the Lord Steward, the Lord Chamberlain, and the Master of the Horse. The amount allotted to this Class was fixed at 172,500*l.* in the last reign, and the Class will in future be relieved of certain items as follows :—

(a) £10,000 for decoration and other internal works at Windsor Castle and Buckingham Palace, transferred to the new Class IV., as explained below.

(b) £4,000 for Hunt expenses struck out.

(c) £5,000 the former provision for expenses of the Mistress of the Robes.

(d) £3,360 formerly paid as a contribution towards "Queen's Premiums" on Horses, which your Committee recommend should in future be added to the sum hitherto provided for this purpose in the Vote for Miscellaneous Expenses, Class VII., Vote 2, of the Civil Service Estimates. It may here be noted that by the removal of this item, together with the net effect of some minor adjustments, the Civil List will be relieved to the amount of about 5,000*l.* per annum.

After making these allowances, however, your Committee still feel that, in order to ensure that no restriction should be imposed upon the hospitality of the Sovereign, and that his comfort should not be interfered with, it is necessary that the amount allotted to this Class should be increased, and having regard to the experience of recent years they recommend that there should be provided—

	£.
For the Lord Steward - - - - -	107,500
„ Lord Chamberlain - - - - -	44,500
„ Master of the Horse - - - - -	41,000
	<hr/>
Making the total of Class III. - -	£. 193,000
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The Fourth Class requires special explanation. It consists of a sum of 10,000*l.* formerly included under the charges of the Lord Steward's and the Lord Chamberlain's Departments in Class III. for painting, papering, decoration, and other internal works in Windsor Castle and Buckingham Palace; and of a further sum of 10,000*l.* to provide for structural works of alteration and repair in the interior of those Palaces, such as during the last reign have been paid for from the Vote for Royal Palaces, Class I., Vote 1, of the Civil Service Estimates. In future any works of either kind which His Majesty may command, should be carried out by the Office of Works and charged to this Class of the Civil List, and the Estimates will be relieved of a corresponding charge of about 10,000*l.* a year.

The Fifth Class is identical with the Fourth Class in the Civil List of 1837, and comprises 9,000*l.* for Royal Bounty and Special Service, and 4,200*l.* for Royal Alms and Charity, in all 13,200*l.*

Your Committee recommend that the new Civil List should be fixed according to the following Estimate :—

		£.
First Class	- - Their Majesties' Privy Purse - -	110,000
Second Class	- - Salaries of His Majesty's Household and Retired Allowances.	125,800
Third Class	- - Expenses of His Majesty's Household -	193,000
Fourth Class	- - Works - - - - -	20,000
Fifth Class	- - Royal Bounty, Alms, and Special Services.	13,200
Sixth Class	- - Unappropriated - - - - -	8,000
Total for the Civil List - - £.		470,000

In the foregoing no reference has been made to the pensions granted under Sections 5 and 6 of the last Civil List Act, commonly called "Civil List Pensions." With regard to these no suggestion has been made for any alteration, and the Committee accordingly recommend the continuance of the present system, except that the variable amounts payable under this head (Appendix, Account III., p. 29) should no longer form a nominal class of the Civil List, but should be separately entered in the Consolidated Fund Accounts.

Your Committee pass to the provision to be made for other members of His Majesty's Family; and in the first place they recommend that an annuity of 20,000*l.* shall be paid out of the Consolidated Fund to His Royal Highness the Duke of Cornwall and York, who has succeeded to the Revenues of the Duchy of Cornwall (Appendix, Account VI., p. 34). They also recommend the grant of an annuity of 10,000*l.* to Her Royal Highness the Duchess of Cornwall and York during the continuance of Her marriage with His Royal Highness the Duke of Cornwall and York.

Your Committee have carefully considered whether it would be advisable that any provision, whether immediate or contingent, should be made at the present time for those children of the Heir Apparent who may reach an age at which they may require separate establishments; but in view of the youth of their Royal Highnesses and the consequent uncertainty of the future, they do not recommend that any such provision should be made on the present occasion, and content themselves by recording the fact that nothing for this purpose is included either in the Civil List or in the annuities proposed.

Your Committee have already called attention to the fact that the annuity granted by the Prince of Wales's Children Act, 1889, ceases on 22nd July 1901. It is therefore necessary to make fresh provision for their Royal Highnesses Princess Louise (Duchess of Fife), Princess Victoria and Princess Maud (Princess Charles of Denmark). Your Committee accordingly recommend that an annuity of 18,000*l.* for their joint lives, diminishing by 6,000*l.* with each death, should, in accordance with the precedent of the Prince of Wales's Children Act, 1889, be paid to trustees by quarterly payments out of the Consolidated Fund. Out of this fund the Sovereign, with the assent of the First Lord of the Treasury and the Chancellor of the Exchequer, should be empowered to make such assignments and in such manner to their Royal Highnesses as in His discretion He may from time to time think fit.

Your Committee further recommend that the contingent annuity of 30,000*l.* provided by the Act 26 & 27 Vict. c. 1 for Her Majesty the Queen Consort in the event of Her surviving His present Majesty, should be increased to 70,000*l.*; and that a contingent annuity of 30,000*l.* should be provided for her Royal Highness the Duchess of Cornwall and York in the event of her surviving his Royal Highness the Duke of Cornwall and York.

The financial recommendations of the Committee may be summarised as follows :—

	£.
1. Civil List - - - - -	470,000
2. Annuity to H.R.H. the Duke of Cornwall and York -	20,000
3. Annuity to H.R.H. the Duchess of Cornwall and York -	10,000
4. Provision for the King's Daughters - - - -	18,000
5. Charge on Consolidated Fund for Household Pensions to Servants of the late Queen, not exceeding - -	25,000
Total - - -	<u>£. 543,000</u>

	£.
For the purpose of comparing this figure with the corresponding charge in the late reign, viz. - - - -	471,000
There should be added to the latter the sum transferred from Votes to the Civil List, viz. - - - - -	10,000
	<u>481,000</u>
And there should be deducted the amount of the charges of which it is proposed to relieve the Civil List, viz. - -	5,000
	<u>£. 476,000</u>

	£.
The net increase proposed is therefore - - - - -	67,000
Falling ultimately, when the pension charge with respect to the Servants of the late Queen of - - - - -	25,000
(No. 5 above) disappears, to - - - - -	<u>42,000</u>

In conclusion, your Committee desire to state that they have received from those Ministers of the Crown who are Members of it all the information which they have deemed material to the objects of their Inquiry.

28 March 1901.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 13th March 1901.

MEMBERS PRESENT :

Mr. Balfour.	Sir James Kitson.
Mr. Bartley.	Mr. Labouchere.
Sir J. Brunner.	Mr. Macartney.
Sir H. Campbell-Bannerman.	Mr. McKenna.
Mr. Chancellor of the Exchequer.	Mr. Mildmay.
Sir F. Dixon-Hartland.	Mr. Renshaw.
Sir William Hart Dyke.	Mr. W. F. D. Smith.
Sir Henry Fowler.	Mr. Stevenson.
Sir William Harcourt.	Mr. Warr.
Mr. Jackson.	Mr. Wharton.

Mr. CHANCELLOR OF THE EXCHEQUER was called to the Chair.

The Committee deliberated.

[Adjourned till Friday, at Twelve o'clock.

Friday, 15th March 1901.

MEMBERS PRESENT :

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Bartley.	Mr. McKenna.
Sir John Brunner.	Mr. Mildmay.
Sir Henry Campbell-Bannerman.	Mr. Renshaw.
Sir Frederick Dixon-Hartland.	Mr. W. F. D. Smith.
Sir William Hart Dyke.	Mr. Stevenson.
Sir James Kitson.	Mr. Warr.
Mr. Jackson.	Mr. Wharton.
Mr. Labouchere.	Mr. Balfour.
Mr. Macartney.	

The Committee deliberated.

DRAFT SPECIAL REPORT proposed by the Chairman, read the first time, as follows :—

The attention of your Committee has been called to the publication in the "Times" newspaper of 14th March of a statement purporting to represent proposals contained in the papers marked Confidential referred to your Committee, and a Report of their proceedings on 13th March.

They are unable to ascertain in what manner this can have been divulged.

They recommend that Mr. Speaker, to whom the authority of the House in such matters is delegated, do take such steps, either by the exclusion of the representative of the "Times" from the inner lobbies of the House, or otherwise, as may seem to him best calculated to prevent such publication in future.

DRAFT SPECIAL REPORT read a second time.

Question, That this Report be the Special Report of the Committee to the House,—put and agreed to.

Ordered to Report.

[Adjourned till Tuesday, at Twelve o'clock.

Tuesday, 19th March 1901.

MEMBERS PRESENT:

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir F. Dixon-Hartland.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Labouchere.
Mr. Macartney.

Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.
Sir William Hart Dyke.
Sir Henry Campbell-Bannerman.
Sir Henry Fowler.

The Committee deliberated.

Motion made, and Question, "That as surpluses have during Her late Majesty's reign been frequently transferred to Class I. (Her Majesty's Privy Purse) from other classes, although there was no deficit in Class I., there would appear no reason why the amount of the Civil List of His Majesty should be apportioned between classes. The Committee is therefore of opinion that no such apportionments should be made"—(Mr. Labouchere)—put, and *negatived*.

Class I. (Their Majesties' Privy Purse), *postponed*.

Class II. (Salaries of His Majesty's Household and Retired Allowances), *considered*.

Motion made, and Question, "That in the opinion of the Committee no salaries for political officers should be included in Class II."—(Mr. Labouchere)—put, and *negatived*.

Motion made, and Question proposed, "That the item Medical Staff, 1,400*l.*, be reduced to 1,000*l.*"—(Mr. Stevenson).—Question, "That the item 1,400*l.* stand part of the Class"—put, and *agreed to*.

Motion made, and Question, "That the item of 4,665*l.*, included in the Second Class under the title of 'Ecclesiastical Salaries and Allowances,' and the item of 1,354*l.*, included in the Second Class under the title of 'Ecclesiastical Officers,' be consolidated and reduced to 3,000*l.*"—(Mr. McKenna)—put, and *negatived*.

Motion made, and Question, "That the salary of the Master of the Horse (2,000*l.*) be discontinued"—(Sir J. Brunner)—put, and *negatived*.

Further consideration of Class II., *postponed*.

Class III. (Expenses of His Majesty's Household), *postponed*.

Class IV. (Works) (20,000*l.*), *considered and agreed to*.

Class V. (Royal Bounty, Alms, and Special Services) (13,200*l.*), *considered and agreed to*.

[Adjourned till Thursday next, at Twelve o'clock.]

Thursday, 21st March 1901.

MEMBERS PRESENT:

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.

Sir James Kitson.
Mr. Labouchere.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

The Committee deliberated.

Class II., further *considered*.

Motion made, and Question, "That the Mastership of the Buckhounds (salary 1,500*l.*), as it at present appears in Class II., be discontinued"—(Sir J. Brunner),—put, and *agreed to*.

Motion made, and Question, "That Class II. be reduced by 700*l.*, and Class III. by 4,000*l.* with respect to the Royal Hunt expenditure"—(Mr. Labouchere),—put, and *agreed to*.

Class II., as amended, *agreed to*.

Class III., *considered*.

Motion made, and Question, "That the sum proposed for the Lord Steward's Department be increased to 107,500*l.*, and that for the Lord Chamberlain's Department to 44,500*l.*, making the total of Class III. 193,000*l.*"—(The Chairman),—put, and *agreed to*.

Class III., as amended, *agreed to*.

Postponed Class I., *considered*.

Amendment proposed, "To leave out 110,000*l.*, in order to insert 90,000*l.*"—(Mr. Labouchere)—instead thereof.

Question put, "That 110,000*l.* stand part of the Class."—The Committee divided :

Ayes, 18.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Noes, 1.

Mr. Labouchere.

Class I., *agreed to*.

Class VI. (Unappropriated), *agreed to*.

Motion made, and Question proposed, "That the Committee recommend that an annuity of 20,000*l.* be granted to His Royal Highness the Duke of Cornwall and York"—(The Chairman).—Question put.—The Committee divided :

Ayes, 18.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Noes, 1.

Mr. Labouchere.

Motion made, and Question, "That the Committee recommend that an annuity of 10,000*l.* be granted to Her Royal Highness the Duchess of Cornwall and York"—(The Chairman),—put, and *agreed to*.

Motion

Motion made, and Question proposed, "That the Committee recommend that a Contingent Annuity of 70,000*l.* be granted to Her Majesty the Queen in the event of her surviving His Majesty the King"—(The *Chairman*).

Amendment proposed, "To leave out 70,000*l.* in order to insert 50,000*l.*"—(Mr. *Labouchere*).—instead thereof.—Question put, "That 70,000*l.* stand part of the Question."—The Committee divided :

Ayes, 18.
Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Noes, 1.
Mr. Labouchere.

Motion made, and Question, "That the Committee recommend that a Contingent Annuity of 30,000*l.* be granted to Her Royal Highness the Duchess of Cornwall and York in the event of her surviving His Royal Highness the Duke of Cornwall and York"—(The *Chairman*).—put, and agreed to.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 28th March 1901.

MEMBERS PRESENT :

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.

Mr. Labouchere.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.

The Committee deliberated.

The following letter received from Mr. Speaker was communicated to the Committee by the *Chairman* :—

Dear Sir Michael Hicks-Beach,

House of Commons,
27 March 1901.

I HAVE caused inquiry to be made into the conduct of the Lobby correspondent, who published in the "Times" the contents of a confidential paper relating to the Civil List. The fact seems to be that the correspondent did not solicit this information from any person, either in the Lobby or elsewhere, and that no consideration was given for it. His statement is that the information was voluntarily given to him by a person who read it to him from a paper, but that the paper was not handed to him nor was he told that it was marked "Confidential." I have no reason to doubt this statement, but I think he must or ought to have understood that the paper was one of a private nature which was before the Committee.

The above circumstances somewhat diminish the gravity of the offence, but I have informed the correspondent that if I refrain from removing his name from the Lobby list it is only upon the express understanding that he will not in future be the medium of communicating the contents of any "Confidential" Parliamentary paper to the press, and that any action of that kind by a Lobby correspondent will render such correspondent liable to exclusion from the Lobby.

I remain,
Yours very truly,
W. C. Gully.

The Committee deliberated.

DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows : —

"THE Select Committee appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's family :—Have considered the matters and papers to them referred and have agreed to the following Report :—

" 1. At the outset it may be convenient to recite the charges on the Consolidated Fund in respect of the Royal Family as they stood at the death of Her late Majesty. These may be stated as follows, so far as they come within the purview of the Committee :—

	£.
" (1.) Her Majesty's Civil List (omitting Class V., pensions granted under 1 Vict. c. 2, s. 5) - - - - -	385,000
" (2.) His Royal Highness the Prince of Wales (26 Vict. c. 1) - - - - -	40,000
" (3.) Her Royal Highness the Princess of Wales (26 Vict. c. 1) - - - - -	10,000
" (4.) Annuity under Prince of Wales's Children Act, 1889 (52 & 53 Vict. c. 35) - - - - -	36,000
	<hr/>
	£. 471,000

" Other annuities to members of the Royal Family, amounting to 72,000*l.* per annum, are not affected by the death of Her late Majesty, and therefore need not for present purposes be referred to.

" The Civil List charge and that under the Act of 1889 (Nos. 1 and 4) continue until 22nd July next, being six months from the death of Her late Majesty; the annuity to the Prince of Wales ceased at Her late Majesty's death; and the annuity assigned to the Princess of Wales continues to be payable to Her present Majesty during Her marriage with His present Majesty. It should be added that Her present Majesty is under the Act 26 Vict. c. 1 entitled to an annuity of 30,000*l.* in the event of widowhood.

" 2. In performing the duty entrusted to them by the House, of considering the Estimate laid before them for the future Civil List of the Sovereign (Appendix, Account VII.), your Committee have been guided to a considerable extent by the actual expenditure during the last ten years of the late reign. In the Papers laid before Parliament by command of His Majesty (Appendix, Account II.) will be found full information on this subject, of the same kind as was given on previous occasions. From this it appears that in each of the last ten years it has been necessary to supplement from the Privy Purse the amount of 172,500*l.* at which Class III. (Expenses of the Household) was fixed by the Civil List Act of 1837. The Privy Purse was enabled to make good the deficiencies on that Class owing to the Savings on the total amount of the Civil List which had accrued to it during the previous portion of the reign, as appears in Account I. of the Appendix. It has therefore not been necessary for Her late Majesty to make any application to Parliament in respect of the increased expenditure of recent years. But the fact that such increase has occurred must be carefully borne in mind in considering the amount of the new Civil List, which can no longer be supplemented from the source referred to. In the interest both of the Crown and of the Public it is essential that the former should, as has happily been the case during the late reign, avoid the necessity of special recourse to Parliament in respect of debts.

" 3. Your Committee proceed to report the results of their detailed consideration of the five classes of the new Civil List as submitted to them by His Majesty's Government (Appendix, Account VII.).

" 4. With respect to the First Class, which provides for the Privy Purse of their Majesties the King and Queen, your Committee, from the nature of the subject, have felt themselves precluded from enquiry. But having regard to precedent, they consider that they are making a reasonable proposition in recommending to the House to allot the sum of 110,000*l.* to this class, that being the amount at which the Privy Purse of King William the IV. and Queen Adelaide was fixed in 1830.

" 5. The Second Class comprehends not only the salaries of the Officers of State, but also other annual payments to persons belonging to the Court and the wages of servants. The Committee, in their enquiries into this Class, confined themselves mainly to the Officers of State, not thinking it consistent with the respect due to His Majesty to scrutinise the details of His domestic Household. The estimate of the ultimate future charge for salaries in each of the three Household Departments, submitted to the Committee by His Majesty's Government, was based upon proposals for the abolition of unnecessary offices, and for the reduction of salaries as vacancies occur. The following reduction should be mentioned as affecting Parliamentary Officers :—

Treasurer of the Household, from 904*l.* to 700*l.*
 Comptroller of the Household, from 904*l.* to 700*l.*
 Vice-Chamberlain, from 900*l.* to 700*l.*
 Parliamentary Lords-in-Waiting, from seven at 700*l.* to five at 600*l.*
 Captain of the Gentlemen-at-Arms, from 1,200*l.* to 1,000*l.*
 Captain of the Yeomen of the Guard, from 2,500*l.* to 2,000*l.*
 Master of the Horse, from 2,500*l.* to 2,000*l.*

'Class II.

"Class II. contained provision of 1,500*l.* for the Salary of the Master of the Buckhounds, and about 700*l.* for wages of the Huntsmen and Hunt Servants. Your Committee do not think it advisable that the Mastership of the Buckhounds should be continued as a Parliamentary Office, or at its present salary, nor do they think it necessary that the Royal Hunt should be maintained. They feel that it is for the Sovereign to decide whether and in what form encouragement should be given by His Majesty to any particular national sport; and they do not consider it desirable to impose on His Majesty an obligation to do so by devoting a portion of the Civil List specially to that object. They have therefore struck out from Class II. the sum of 2,200*l.* in respect of the items of 1,500*l.* and 700*l.* mentioned above; and from Class III. the sum of 4,000*l.* included therein (under the Master of the Horse's Department) for expenses of the Hunt.

"7. Your Committee recommend that provision should be made in Class II. for 'the King's Personal Staff.' This includes His Majesty's Private Secretary and Assistants, the Keeper of the Privy Purse and his Staff, and others whose services are no less necessary to His Majesty than those of the Staff in the Departments of the three Great Officers of the Household. The sum of 10,500*l.* is inserted to cover these charges.

"They recommend that the provision in Class II. for the Salaries, &c., of the Household Departments should be as follows:—

	£.
The Lord Steward's Department - - - - -	29,000
The Lord Chamberlain's Department (including the Mistress of the Robes and other Members of the Queen Consort's Court) - - -	59,500
The Master of the Horse's Department - - - - -	26,800

making, with the provision for the King's Personal Staff, a total for the Class of 125,800*l.*

"8. In the total of Class II. your Committee have included a sum to enable His Majesty to provide temporarily for the full salaries of offices which it is proposed ultimately to abolish or reduce, or for compensations on abolition, and also for the grant of pensions to servants who may gradually become incapacitated for further service. But they recommend that the Class shall be relieved from the present non-effective charge amounting to approximately 12,000*l.*, and this sum, together with such further amount, not exceeding in all 13,000*l.* per annum, as may be necessary to provide for those members of Her late Majesty's Household who are entitled to pensions, and whose services will no longer be required, should be charged on the Consolidated Fund.

"As the pensions so charged fall in, the public will reap the benefit, until the total amount of 25,000*l.* per annum has disappeared.

9. Your Committee next proceeded to inquire into the Third Class, viz., that for the expenditure in the Departments of the Lord Steward, the Lord Chamberlain, and the Master of the Horse. The amount allotted to this Class was fixed at 172,500*l.* in the last reign, and the class will in future be relieved of certain items as follows:—

"(a) £10,000 for decoration and other internal works at Windsor Castle and Buckingham Palace, transferred to the new Class IV. (paragraph 10).

"(b) £4,000 for Hunt expenses struck out (paragraph 6).

"(c) £5,000, the former provision for expenses of the Mistress of the Robes.

"(d) £3,360 formerly paid as a contribution towards 'Queen's Premiums' on Horses which your Committee recommend should in future be added to the sum hitherto provided for this purpose in the Vote for Miscellaneous Expenses, Class VII., Vote 2, of the Civil Service Estimates. It may here be noted that by the removal of this item, together with the net effect of some minor adjustments, the Civil List will be relieved to the amount of about 5,000*l.* per annum.

"After making these allowances, however, your Committee still feel that, in order to ensure that no restriction should be imposed upon the hospitality of the Sovereign, and that his comfort should not be interfered with, it is necessary that the amount allotted to this Class should be increased, and having regard to the experience of recent years they recommend that there should be provided—

	£.
"For the Lord Steward - - - - -	107,500
„ Lord Chamberlain - - - - -	44,500
„ Master of the Horse - - - - -	41,000

"Making the total of Class III. - - £. 193,000

"10. The proposed Fourth Class required special explanation. It consists of a sum of 10,000*l.* formerly included under the charges of the Lord Steward's and the Lord Chamberlain's Departments in Class III. for painting, papering, decoration, and other internal works in Windsor Castle and Buckingham Palace; and of a further sum of 10,000*l.* to provide for structural works of alteration and repair in the interiors of those Palaces, such as during the last reign have been paid for from the Vote for Royal Palaces, Class I., Vote 1, of the Civil Service Estimates. In future any works of either kind which his Majesty may command, will be carried out by the Office of Works and charged to this Class of the Civil List, and the Parliamentary Votes will be relieved of a corresponding charge estimated at 10,000*l.* a year.

"11. The

" 11. The Fifth Class is identical with the Fourth Class in the Civil List of 1837, and comprises 9,000*l.* for Royal Bounty and Special Service, and 4,200*l.* for Royal Alms and Charity, in all 13,200*l.*

" 12. Your Committee recommend that the New Civil List should be fixed according to the following Estimate:—

		£.
First Class	- - Their Majesty's Privy Purse - - -	110,000
Second Class	- - Salaries of His Majesty's Household and Retired Allowances.	125,800
Third Class	- - Expenses of His Majesty's Household - -	193,000
Fourth Class	- - Works - - - - -	20,000
Fifth Class	- - Royal Bounty, Alms, and Special Services -	13,200
Sixth Class	- - Unappropriated - - - - -	8,000
Total for the Civil List - - - £.		470,000

" 13. In the foregoing no reference has been made to the pensions granted under Sections 5 and 6 of the last Civil List Act, commonly called 'Civil List Pensions.' With regard to these no suggestion has been made for any alteration, and the Committee accordingly recommend the continuance of the present system, except that the variable amounts payable under this head (Appendix, Account III.) should no longer form a nominal class of the Civil List.

" 14. Your Committee pass to the provision to be made for other members of His Majesty's Family; and in the first place they recommend that an annuity of 20,000*l.* shall be paid out of the Consolidated Fund to His Royal Highness the Duke of Cornwall and York, who has succeeded to the Revenues of the Duchy of Cornwall (Appendix, Account VI.). They also recommend the grant of an annuity of 10,000*l.* to Her Royal Highness the Duchess of Cornwall and York during the continuance of Her marriage with the Duke of Cornwall and York.

" 15. Your Committee have carefully considered whether it would be advisable that any provision, whether immediate or contingent, should be made at the present time for those children of the Heir Apparent who may reach an age at which they may require separate establishments; but in view of the youth of their Royal Highnesses and the consequent uncertainty of the future, they do not recommend that any such provision should be made on the present occasion, and content themselves by recording the fact that nothing for this purpose is included either in the Civil List or in the annuities proposed.

" 16. Your Committee have already called attention to the fact that the annuity granted by the Prince of Wales' Children Act, 1889, ceases on 22nd July 1901. It is therefore necessary to make fresh provision for their Royal Highnesses Princess Louise (Duchess of Fife), Princess Victoria and Princess Maud (Princess Charles of Denmark). Your Committee accordingly recommend that an annuity of 18,000*l.* for their joint lives, diminishing by 6,000*l.* with each death, should, in accordance with the precedent of the Prince of Wales' Children Act, 1889, be paid to trustees by quarterly payments out of the Consolidated Fund. Out of this Fund the Sovereign, with the assent of the First Lord of the Treasury and the Chancellor of the Exchequer, should be empowered to make such assignments and in such manner to their Royal Highnesses as in His discretion He may from time to time think fit.

" 17. Your Committee further recommend that the contingent annuity of 30,000*l.* provided by the Act 26 & 27 Vict. c. 1 for Her Majesty the Queen Consort in the event of Her surviving His present Majesty, should be increased to 70,000*l.*; and that a contingent annuity of 30,000*l.* should be provided for Her Royal Highness the Duchess of Cornwall and York in the event of her surviving His Royal Highness the Duke of Cornwall and York.

" 18. The financial recommendations of the Committee may be summarised as follows:—

	£.
" 1. Civil List (paragraph 12) - - - - -	470,000
" 2. Annuity to H.R.H. the Duke of Cornwall (paragraph 14) - -	20,000
" 3. Annuity to H.R.H. the Duchess of Cornwall (paragraph 14) -	10,000
" 4. Provision for the King's Daughters (paragraph 16) - - -	18,000
" 5. Charge on Consolidated Fund for Household Pensions (paragraph 8) not exceeding - - - - -	25,000
Total - - - £.	543,000

	£.
" For the purpose of comparing this figure with the corresponding charge in the late reign, viz. (paragraph 1) - - - - -	471,000
" There should be added to the latter the sum transferred from Votes to the Civil List (paragraph 10), viz. - - - - -	10,000
	481,000
" And there should be deducted the amount of the charges of which it is proposed (paragraph 9) to relieve the Civil List, viz. - -	5,000
	476,000

	£.
"The net increase proposed is therefore - - - - -	67,000
"Falling ultimately, when the pension charge of - - - - -	25,000
"(No. 5 above) disappears, to - - - - -	42,000

"19. In conclusion, your Committee desire to state that they have received from those Ministers of the Crown who are Members of it all the information which they have deemed material to the objects of their Inquiry.

"March 1891."

DRAFT REPORT, proposed by Mr. *Labouchere*, read the first time, as follows :—

"1. In considering an estimate for the future Civil List of the Sovereign, your Committee have not taken into consideration the renunciation on the part of His Majesty of the revenues derived from the Crown Lands, and from certain hereditary revenues. Your Committee are of opinion that they are not in any sense the private property of the Sovereign; but they form part of the State revenues charged with the cost of the Civil Government of the country. The misconception seems to be due to the preamble of the Civil List Act of George III., in which it is set forth that His Majesty renounces them for himself, and this renunciation has been repeated in all subsequent Civil List Acts. No such renunciation is to be found in the earlier Civil List Acts, and no personal claim to them was made in these Acts.

"2. Your Committee have been guided by the expenditure during the late reign, and they have had before them papers conveying to them full information in regard to all details of that expenditure.

"3. By Act 1 Vict. c. 2, entitled 'An Act for the support of Her Majesty's Household, and the Honour and Dignity of the Crown of the United Kingdom of Great Britain and Ireland,' the sum of 385,000*l.* per annum was voted to Her Majesty for Her life.

"4. This sum was apportioned between six classes, as follows :—

	£.
"First Class.—For Her Majesty's Privy Purse - - - - -	60,000
"Second Class.—Salaries of Her Majesty's Household and Retired Allowances - - - - -	131,260
"Third Class.—Expenses of Her Majesty's Household - - - - -	172,500
"Fourth Class.—Royal Bounty Alms, Special Sources - - - - -	13,200
"Fifth Class.—Pensions to the extent of 1,200 <i>l.</i> per annum - - - - -	—
"Sixth Class.—Unappropriated Monies - - - - -	8,040
	£. 385,000

"5. Her Majesty also enjoyed during Her reign the net revenues of the Duchy of Lancaster. In 1838, these net revenues amounted to 5,000*l.*; in 1899, they amounted to 60,000*l.*

"6. The 9th Clause of the Act is as follows :—

"IX. Provided always, and be it enacted, That if any Saving or Surplus shall arise in any Quarter in respect of any money appropriated for defraying the Charges of any particular Class, so as that the Sum appropriated thereto shall be more than sufficient for the full and complete Payment of the Charges thereon, such quarterly Saving or Surplus shall in every such case be carried forward in the Exchequer to the Account and Credit and be applied for the Purposes of the Class in which it shall have arisen, until the Thirty-first Day of December in every Year; and whenever any such Saving or Surplus remaining at the End of the Year shall have arisen in any of the Classes of the Civil List, then it shall be lawful for the Lord High Treasurer, or Commissioners of the Treasury for the time being, or any Three or more of them, to direct the same to be applied in aid of the Charges or Expenses of any other Class (except the Fifth Class), or of any Charge or Charges upon Her Majesty's Civil List Revenues, in such manner as may, under the Circumstances, appear to be most expedient: Provided always, that the Charge upon the Fifth Class shall in no Case exceed the Sum by this Act limited for that Class."

"7. From the wording of these clauses, it would appear that the intention of the Act was that, if in any year a surplus remained in any one or more of the following classes at the end of the year, and if there was a deficit at the end of the same year in any other of these classes, the surplus was to go to make up the deficit; but that, if there was a surplus at the end of the year in one or more of these classes, and no deficit in any other of them, then the unexpended money was not to be appropriated.

"8. During Her late Majesty's reign the payments in aid of 3rd Class from the Privy Purse, Reserve Fund, and old Balances amounted to 170,256*l.* 9*s.* 4*d.*, and the payments to Her late Majesty's Privy Purse and to the Reserve Fund have amounted to 824,025*l.* 2*s.* The sum of 653,768*l.* 2*s.* 8*d.*, therefore, accrued to the Privy Purse, in consequence of amounts allocated to other Classes having been in excess of expenditure.

"9. As

" 9. As it was held by the Treasury that any excess of amount allocated over expenditure in any Class could be transferred to another Class, although there might have been no deficit in the Class to which the transfer was made, there would seem no special necessity why there should be any Parliamentary assignments. Moreover, there are many items of expenditure in the respective Classes in regard to which your Committee are not prepared to express their approval.

" 10. In the Departments of the Lord Steward, of the Lord Chamberlain, of the Master of the Horse, and of the Mistress of the Robes, there were during the reign of Her late Majesty, 17 paid Officials, who are termed "Political Officers." The occupants of these offices changed with a change in Her Majesty's Ministry. With one single exception, they were always selected from the Members of the House of Lords, and with very few exceptions, from such Members as were the adherents of the Ministry assuming Office. Thus the Civil List was burthened with salaries which were, to all intents and purposes, pecuniary encouragements to Members of the House of Lords to support the Ministry in Office, although an examination of the details of the expenditure in the above Departments shows that there was a staff of well paid permanent officials to administer them.

" 11. The sum of 4,601*l.* was expended in the Department of the Lord Steward, and of 1,521*l.* in the Department of the Lord Chamberlain for "Ecclesiastical Salaries and Allowances." That the Sovereign should have a Chaplain or even two Chaplains of the religious denomination to which He belongs would be reasonable; but it would appear that the late Sovereign had 36 paid Chaplains, and that in other ways this money was expended in what seems to have been an endowment of the State Church of England out of public funds.

" 12. The cost of the Buckhounds amounted to about 4,700*l.* per annum, exclusive of the salary of 1,500*l.* to their master, who was a "political officer." These dogs appear to have chased tame stags. It has been suggested that in lieu of these Buckhounds there should be a pack of Foxhounds. There would seem, however, no reason why a Parliamentary assignment of money should be made in order to maintain a pack of hounds either to pursue stags or foxes in Berkshire.

" 13. There are many other items of expenditure in the assignments of outlay in the several Classes which appear to your Committee to be unnecessary.

" 14. Your Committee therefore recommend that there be no Parliamentary assignments of specific sums to separate Classes, but that a lump sum be voted for the Civil List, leaving it to His Majesty to spend it as he deems best for the maintenance of the State and Dignity of the Crown, and the support of his household, and that in this sum a provision be included for the Privy Purse of Her Majesty the Queen.

" 15. In estimating the amount of the sum, it is necessary to take into consideration that His Majesty will receive 60,000*l.* per annum from the revenues of the Duchy of Lancaster. The difference between the revenues of the Duchy of Lancaster in 1838 and 1900 are practically an addition of 55,000*l.* per annum to the Privy Purse of the Sovereign, over what was deemed an adequate provision by the Civil List Act of Queen Victoria.

" 16. The household of Her Majesty the Queen will not involve any expenditure over that of Queen Victoria, for Her late Majesty maintained a household both of ladies and of gentlemen as reigning Sovereign.

" 17. Your Committee, bearing in mind that a grant of 30,000*l.* per annum was made to the late Prince Consort, are of opinion that a similar grant should be included in the Civil List for the Privy Purse of Her Majesty the Queen, but that otherwise no addition is needed to the amount of the Civil List granted to Queen Victoria. They therefore recommend that His Majesty be granted a Civil List of 415,000*l.*, inclusive of 30,000*l.* per annum, as a provision for the Privy Purse of Her Majesty the Queen. They are of opinion that experience has proved that the above mentioned sum will be amply sufficient to maintain the State and Dignity of the Crown, to support His Majesty's household, and to leave an adequate surplus to cover His Majesty's private expenditure.

" 18. The amount paid in retired allowances by Her late Majesty was a little over 12,000*l.* in the last year of Her reign. It is estimated that a further sum of 13,000*l.* per annum will be necessary in order to provide for those of Her late Majesty's officers and servants who will not be taken on by His Majesty. The latter amount might be legitimately provided from the Consolidated Fund, but the former amount, or a portion of it, ought to remain a charge on the Civil List, as during the first years of His Majesty's reign, it is obvious there will be only very little, if anything, payable for retired allowances granted to His officers and servants.

" 19. Your Committee have had under their consideration whether a grant should be made to their Royal Highnesses the Duke and Duchess of Cornwall. His Royal Highness the Duke receives 60,000*l.* per annum from the revenues of the Duchy of Cornwall. Your Committee are of opinion that this sum will enable him adequately to maintain the State and Dignity of the heir-presumptive of the Throne. But they recommend that a grant of 10,000*l.* per annum be made to Her Royal Highness the Duchess of Cornwall.

" 20. Your Committee further recommend that a grant of 18,000*l.* per annum be made in respect to the three daughters of His Majesty, such amount being distributed between them as His Majesty may best please; but that in the event of one of their Royal Highnesses predeceasing His Majesty, such grant should be reduced by 6,000*l.*, and by 12,000*l.* in the event of two of them predeceasing His Majesty. This grant of 18,000*l.* per annum your Committee recommend on the distinct understanding that no further pecuniary demands will be made in respect to their Royal Highnesses.

'21 Yours

" 21. Your Committee recommend that the contingent annuity of 30,000*l.* provided by the Act 26 & 27 Victoria for Her Majesty the Queen, which in the event of Her Majesty surviving His present Majesty should be increased to 50,000*l.*

" 22. In making the above recommendations, your Committee have not deemed it within the scope of their inquiry to consider whether continuance of the pomp and pride and ceremony of a Court is desirable. This question was not referred to them. They were limited by the terms of reference to the consideration of what sum was needed to keep up a Court, and to provide for the comfort of the Sovereign, on a scale such as the country has been accustomed to during the reign of a Queen, who so well maintained the State and Dignity of the Crown, and whose loss all deplore. Suggestions have been rife that the cost of living has gone up among the wealthier classes since Her late Majesty ascended the Throne. This idea seems to be due to the present ostentatious expenditure among some of those who have suddenly acquired large fortunes. But your Committee do not believe that the Sovereign would desire to enter into a monetary competition with such persons, or to encourage by His example such vainglorious prodigality on the part of His subjects. Your Committee have treated the questions referred to them in as generous a spirit as is consistent with a proper regard to the interests of the taxpayers, and they are convinced that they are acting in accordance with the wishes of His Majesty in the provision that they recommend for His Majesty's Civil List, for Her Majesty the Queen, and for His Majesty's children."

Motion made and Question proposed, that the Draft Report, proposed by the *Chairman*, be read a second time paragraph by paragraph—(*The Chairman*).—Amendment proposed to leave out the words "The Chairman" in order to insert the words "Mr. Labouchere," instead thereof.—(*Mr. Labouchere*).—Question put, That the words "The Chairman," stand part of the Question. The Committee divided:

Ayes, 14.
Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.

Noes, 1.
Mr. Labouchere.

Main Question put and *agreed to*.

Draft Report, proposed by the *Chairman* read a second time, paragraph by paragraph.

Paragraph 1, *agreed to*.

Paragraph 2, amended, and *agreed to*.

Paragraph 3 and 4, *agreed to*.

Paragraph 5.

Amendment proposed, in line 3, to leave out from the word "not" to the word "Household" in line 4 (both inclusive)—(*Mr. McKenna*).—Question, That the words proposed to be left out stand part of the paragraph,—put, and *agreed to*.

Another Amendment proposed, in line 7, after the word "occur" to insert the words "but in the judgment of the Committee further retrenchments in connection with offices in the Royal Household and otherwise might be made. The settlement of a new Civil List affords the proper opportunity for a thorough reconsideration of regal expenditure, and the Committee are of opinion that an inquiry should be made into the duties and emoluments of all employments in the Royal Household, with a view to determining the extent to which the charge of the Civil List might be lessened without impairing the appropriate provision for the comfort of the Sovereign and the dignity and splendour of the Court"—(*Mr. McKenna*).—Question, That those words be there inserted,—put, and *negatived*.

Paragraph as amended, *agreed to*.

Paragraph 6, amended, and *agreed to*

Paragraph 7, *agreed to*.

Paragraphs 8-10 amended, and *agreed to*

Paragraphs 11 and 12, *agreed to*.

Paragraph 13 amended, and *agreed to*.

Paragraphs 14-17, *agreed to*.

Paragraph 18, amended, and *agreed to*.

Paragraph 19, *agreed to*.

Question, That this Report, as amended, be the Report of the Committee to the House.

Ordered to Report, together with an Appendix.

A P P E N D I X.

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1858	"	123,467	8	7	173,621	3	-	"	7,667	-	-	377,955	11	7	2,044	8	5	5,000	-	-
1859	"	125,384	19	11	165,385	8	2	"	1,700	-	-	365,070	8	1	10,655	11	11	8,674	-	-
1860	"	125,246	7	1	169,903	14	8	"	1,700	-	-	370,050	1	9	9,887	17	5	3,326	3	6
1861	"	125,844	4	8	168,775	-	6	"	1,700	-	-	369,519	5	2	16,446	1	-	Gr. 965	6	2
1862	"	125,051	13	3	156,474	8	-	"	1,814	10	9	356,540	12	-	23,734	1	7	4,725	6	5
1863	"	126,059	5	10	171,938	13	10	"	1,700	-	-	372,897	19	8	10,000	-	-	2,102	-	4
1864	"	125,428	17	-	164,008	1	6	"	1,712	5	-	364,349	3	6	15,650	16	6	5,000	-	-
1865	"	124,059	4	3	167,502	11	3	"	1,707	2	-	366,468	17	6	15,959	18	10	2,571	3	8
1866	"	124,818	8	10	168,768	16	2	"	1,715	3	-	368,502	8	-	16,497	12	-	-	-	-
1867	"	125,448	19	8	166,375	8	6	"	1,703	19	-	366,728	7	2	18,271	12	10	-	-	-
1868	"	126,255	10	5	166,016	4	11	"	1,710	-	-	367,181	15	4	17,818	4	8	-	-	-
1869	"	124,880	14	10	169,721	4	3	"	1,714	12	-	369,516	11	1	15,483	8	11	-	-	-
1870	"	125,709	16	4	157,512	12	-	"	1,708	12	-	358,132	-	4	26,867	19	8	-	-	-
1871	"	125,619	4	10	167,404	15	8	"	1,721	9	-	367,945	9	6	17,054	10	6	-	-	-
1872	"	125,524	2	-	166,830	14	9	"	1,705	8	-	367,280	4	9	17,739	15	3	-	-	-
1873	"	124,413	14	1	172,785	17	11	"	1,710	8	-	372,110	-	-	12,890	-	-	-	-	-
1874	"	124,411	7	6	165,530	3	6	"	1,712	15	-	364,854	6	-	20,145	14	-	-	-	-
1875	"	123,394	8	-	169,904	17	4	"	1,707	9	-	368,206	14	4	16,799	5	8	-	-	-
1876	"	124,274	3	6	159,968	16	9	"	1,707	18	-	359,150	18	3	23,849	1	9	-	-	-
1877	"	123,944	1	11	162,381	12	-	"	1,709	7	-	361,235	-	11	23,764	19	1	-	-	-
1878	"	123,722	12	4	173,009	14	11	"	1,721	1	-	370,653	8	3	14,346	11	9	-	-	-
1879	"	122,031	7	7	171,820	3	9	"	1,708	6	-	368,759	17	4	16,240	2	8	-	-	-
1880	"	124,601	4	6	165,616	4	4	"	1,707	2	-	365,124	10	10	19,875	9	2	-	-	-
1881	"	124,999	13	6	166,781	14	6	"	1,707	18	-	366,689	6	-	18,310	14	-	-	-	-
1882	"	125,649	2	-	176,936	16	3	"	1,710	16	-	377,496	12	5	7,503	7	7	-	-	-
1883	"	125,470	13	9	165,753	16	-	"	2,199	11	8	366,624	1	5	18,375	18	7	-	-	-
1884	"	125,937	9	3	170,682	13	2	"	1,700	-	-	371,440	2	5	13,559	17	7	-	-	-
1885	"	126,731	18	2	177,815	12	4	"	1,700	-	-	379,447	10	6	5,552	9	6	-	-	-

* The accounts for 1841 are not forthcoming.

ACCOUNT I. (continued).

Year.	Sum appropriated by Civil List Act to each Class.	Charge authorised.										Paid to Her Majesty's Privy Purse.	Paid to Reserve Fund.	Payments in aid of 3rd Class from Privy Purse, Reserve Fund, and old Balances.			
		1st Class.		2nd Class.		3rd Class.		4th Class.		6th Class.					Totals.		
		£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.					£.	s. d.
1886	-	60,000	-	125,328	5 5	182,545	10 2	13,200	-	1,700	-	382,771	15 7	2,228	4 5	-	
1887	-	"	"	129,013	11 7	223,689	2 3	"	"	1,700	-	427,002	13 10	-	-	42,602 13 10	
1888	-	"	"	128,045	10 8	180,867	10 6	"	"	1,700	-	384,413	1 2	-	-	-	
1889	-	"	"	130,354	15	196,717	16 4	"	"	1,700	-	401,972	11 4	-	-	16,972 11 4	
1890	-	"	"	130,043	14 4	186,116	6 5	"	"	1,700	-	391,060	- 9	-	-	6,060 - 9	
1891	-	"	"	129,323	1 6	190,943	5 9	"	"	1,700	-	395,166	7 3	-	-	10,166 7 3	
1892	-	"	"	129,233	8 8	185,347	1 8	"	"	1,700	-	389,480	10 4	-	-	4,480 10 4	
1893	-	"	"	129,349	1 11	198,333	19 4	"	"	1,700	-	403,583	1 3	-	-	18,583 1 3	
1894	-	"	"	130,300	13 7	196,864	5 8	"	"	1,700	-	402,064	19 3	-	-	17,064 19 3	
1895	-	"	"	129,792	-	194,648	19 7	"	"	1,700	-	399,340	19 7	-	-	14,340 19 7	
1896	-	"	"	128,259	10 7	189,194	14 11	"	"	1,700	-	392,354	5 6	-	-	7,354 5 6	
1897	-	"	"	129,928	16 1	190,830	3 2	"	"	1,700	-	395,658	19 3	-	-	10,657 19 3	
1898	-	"	"	127,568	4 9	190,419	14 10	"	"	1,700	-	392,887	19 7	-	-	7,887 19 7	
1899	-	"	"	125,968	9 3	198,216	12 2	"	"	1,700	-	399,085	1 5	-	-	14,085 1 5	
		Totals										764,493	18 2	59,531	3 10	170,256	9 4

NOTE.—For Class V. (Civil List Pensions) see Account III., page 12.

ACCOUNT II.

DETAILED ACCOUNTS OF CIVIL LIST EXPENDITURE,
1st January 1890 to 31st December 1899.

AN ACCOUNT showing the PAYMENTS which have been made in respect of the CHARGE on the CIVIL LIST,
between 1st January 1890 and 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
FIRST CLASS.										
HIS MAJESTY'S PRIVY PURSE	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
SECOND CLASS.										
SALARIES OF HIS MAJESTY'S HOUSEHOLD AND RETIRED ALLOWANCES:										
In the Department of the Lord Steward	34,886	34,268	34,670	34,535	35,153	35,240	34,211	34,706	32,415	31,330
In the Department of the Lord Chamberlain	66,123	65,029	64,483	64,413	64,737	64,623	63,614	64,325	64,720	64,183
In the Department of the Master of the Horse	27,943	28,384	28,401	28,657	28,667	28,185	28,741	29,275	28,779	28,946
In the Department of the Mistress of the Robes	1,642	1,642	1,679	1,744	1,744	1,744	1,694	1,623	1,654	1,511
TOTAL SALARIES, &c. . . . £.	130,044	129,323	129,233	129,349	130,301	129,792	128,260	129,929	127,568	125,968
THIRD CLASS.										
EXPENSES OF HIS MAJESTY'S HOUSEHOLD:										
In the Department of the Lord Steward	90,940	97,250	92,241	100,593	96,278	97,158	95,256	95,525	96,521	99,365
In the Department of the Lord Cham- berlain	44,493	45,017	43,213	47,193	48,048	46,340	43,751	49,556	44,522	49,199
In the Department of the Master of the Horse	46,422	44,021	45,145	47,417	47,596	45,458	46,121	41,679	45,373	45,259
In the Department of the Mistress of the Robes	4,261	4,655	4,748	4,131	4,942	5,698	4,066	4,070	4,004	4,394
TOTAL EXPENSES £.	186,116	190,943	185,347	199,334	196,864	194,649	189,194	190,830	190,420	198,217
FOURTH CLASS.										
ROYAL BOUNTY, ALMS, AND SPECIAL SER- VICES	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200
SIXTH CLASS.										
UNAPPROPRIATED	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
GRAND TOTAL £.	391,060	395,166	389,580	403,583	402,065	399,065	392,354	395,659	392,888	399,085

ACCOUNT II. (continued).

APPENDIX A.

DETAILS of the CHARGE ON CLASS II. of the CIVIL LIST as it stood on 1st January 1900.

DEPARTMENT OF THE LORD STEWARD :	£.	£.	£.
POLITICAL OFFICERS :—Lord Steward - - - - -	2,000		
Treasurer - - - - -	904		
Comptroller - - - - -	904		
		3,808	
Household Salaries and Allowances - - - - -		18,989	
Ecclesiastical Salaries and Allowances - - - - -		4,601	
Non-Effective Charge - - - - -		4,331	
TOTAL, LORD STEWARD - - - £.		—	31,729
DEPARTMENT OF THE LORD CHAMBERLAIN :	£.		
POLITICAL OFFICERS :—Lord Chamberlain - - - - -	2,000		
Vice Chamberlain - - - - -	900		
Seven Lords-in-Waiting at 700 <i>l.</i> - - - - -	4,900		
Captain of Yeomen of Guard - - - - -	1,200		
Captain of Gentlemen-at-Arms - - - - -	1,200		
		10,200	
Ladies of the Court - - - - -		9,100	
Household Salaries and Allowances - - - - -		33,437	
Heralds - - - - -		1,274	
Medical Staff - - - - -		1,598	
Literature and Art - - - - -		3,767	
Ecclesiastical Salaries and Allowances - - - - -		1,521	
Non-effective Charge - - - - -		3,397	
TOTAL, LORD CHAMBERLAIN - - - £.		—	64,294
DEPARTMENT OF THE MASTER OF THE HORSE :	£.		
POLITICAL OFFICERS :—Master of the Horse - - - - -	2,500		
Master of the Buckhounds - - - - -	1,500		
		4,000	
Salaries and Allowances - - - - -		20,686	
Non-Effective Charge - - - - -		4,121	
TOTAL, MASTER OF THE HORSE - - - £.		—	28,777
DEPARTMENT OF THE MISTRESS OF THE ROBES :			
POLITICAL OFFICER :—Mistress of the Robes - - - - -		500	
Salaries and Allowances - - - - -		884	
Non-Effective Charge - - - - -		102	
TOTAL, MISTRESS OF THE ROBES - - - £.		—	1,486
GRAND TOTAL, CHARGE ON CLASS II. - - - £.			126,286

ACCOUNT II. (continued).

APPENDIX B.

DETAILS of the EXPENDITURE CHARGED to CLASS III. of the CIVIL LIST.

1.—DEPARTMENT OF THE LORD STEWARD.

A RETURN of EXPENSES incurred in the DEPARTMENT of the LORD STEWARD, showing the AMOUNT expended in each year under various headings from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
BUCKINGHAM PALACE	7,882	9,809	6,017	9,998	8,325	8,347	7,151	17,197	8,587	8,046
WINDSOR CASTLE	17,736	19,445	17,712	18,758	18,480	19,941	17,262	18,499	16,817	20,598
OSBORNE	12,342	12,652	13,677	13,121	14,200	12,706	13,009	13,252	13,098	12,513
BALMORAL	11,582	12,506	11,880	12,041	11,806	11,213	11,894	9,191	9,856	10,590
HER MAJESTY'S FOREIGN VISIT	1,983	3,102	2,393	2,795	2,422	3,114	3,459	3,504	3,797	4,333
ST. JAMES' PALACE	6,153	6,370	6,401	6,406	5,131	5,421	1,425	—	—	—
BOARD WAGES	7,322	7,323	7,590	7,340	7,370	7,300	7,295	7,203	7,428	7,446
TRAVELLING	1,112	1,146	983	833	689	739	661	1,205	852	655
FROGMORE	150	162	181	173	210	301	165	184	199	211
CLAREMONT	126	43	3	2	2	25	2	1	1	3
ALDERSHOT	86	89	99	99	218	268	109	130	245	104
HOLYROOD	124	133	125	118	113	93	90	91	106	94
ASCOT(2) AND KENT HOUSE(1)	—	—	—	(1) 258	—	—	—	—	(2) 10	—
ROYAL GARDENS	10,613	11,224	11,641	11,142	11,637	11,519	12,348	13,035	13,070	13,239
ROYAL LAUNDRY	2,433	2,389	2,273	3,068	4,081	4,786	4,128	3,533	3,406	3,451
ELECTRIC LIGHTING	826	1,073	952	1,900	656	911	1,143	1,444	840	1,533
ROYAL MAUNDY	222	225	228	231	234	237	240	243	247	250
ROYAL YACHT	968	1,296	545	672	591	608	670	612	567	631
VISIT OF KING OF SIAM	—	—	—	—	—	—	—	944	—	—
SUNDRIES	7,550	9,327	8,168	11,795	9,553	9,923	14,830	29,994	16,905	15,584
INCOME TAX	2,150	2,150	2,150	2,419	2,777	2,967	2,967	2,967	2,967	2,967
GROSS TOTAL	91,300	99,906	92,968	102,169	98,506	100,218	98,748	123,189	98,843	102,248
LESS SUMS RECEIVED IN AID	360	2,658	727	1,576	2,227	3,080	3,492	27,664	2,322	2,883
NET TOTAL	90,940	97,250	92,241	100,593	96,278	97,138	95,256	95,525	96,521	99,365

ACCOUNT II. (continued).

APPENDIX B.

2.—DEPARTMENT OF THE LORD CHAMBERLAIN.

A RETURN of EXPENSES incurred in the DEPARTMENT of the LORD CHAMBERLAIN, showing the amount expended in each year under various headings from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
ORDINARIES :										
BUCKINGHAM PALACE - - - - -	10,014	9,966	9,909	10,928	9,917	9,354	8,648	13,878	7,816	9,321
WINDSOR CASTLE AND LODGES - - -	15,174	11,926	12,640	12,208	14,806	15,048	14,503	14,022	14,404	15,358
VISIT OF GERMAN EMPEROR - - -	—	1,766	—	—	—	—	—	—	—	465
HOLYROOD . . . - - - - -	647	586	690	845	751	893	972	861	687	803
MARRIAGE OF (1) PRINCESS LOUISE OF WALES, (2) DUKE OF YORK.	—	(1) 575	—	(2) 1,889	—	—	—	—	—	—
FUNERAL OF (1) DUKE OF CLARENCE, (2) DUCHESS OF TECK.	—	—	(1) 51	—	—	—	—	(2) 680	—	—
MEDICAL ALLOWANCES - - - - -	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150
ALDERSHOT AND CLAREMONT - - -	341	521	623	327	612	426	499	502	465	592
ROYAL LAUNDRY (MOIETY OF EXPENSES) -	2,438	2,339	2,273	2,370	2,297	2,308	1,979	1,682	1,618	1,683
ELECTRIC LIGHTING AND TELEPHONE -	275	406	390	753	337	463	479	684	264	698
REPAIRING ROYAL VAULT - - - - -	—	—	—	—	—	—	—	—	—	1,000
HER MAJESTY'S FOREIGN VISIT - - -	749	2,385	2,761	963	2,518	2,556	2,128	3,456	3,551	3,771
SUNDRIES - - - - -	7,979	10,352	7,727	8,816	9,125	8,199	7,340	19,934	9,520	10,081
TOTAL - - -	39,767	42,971	39,677	41,249	42,513	41,897	38,698	57,850	40,475	45,917
INTERIOR WORKS :										
BUCKINGHAM PALACE - - - - -	2,968	2,370	2,173	4,203	3,586	2,917	3,090	3,862	2,074	1,856
WINDSOR CASTLE - - - - -	2,442	2,811	2,002	2,109	2,126	2,206	1,989	1,908	2,284	1,539
ST. JAMES' PALACE - - - - -	—	—	374	—	—	—	—	—	—	—
MARRIAGE OF PRINCESS MAUD OF WALES -	—	—	—	—	—	—	1,337	—	—	—
FUNERAL OF PRINCE HENRY OF BATTENBURG.	—	—	—	—	—	—	933	—	—	—
TOTAL - - -	5,425	4,681	4,549	6,312	5,712	5,123	7,349	5,765	4,358	3,394
TOTAL ORDINARIES - - - - -	39,767	42,971	39,677	41,249	42,513	41,897	38,698	57,850	40,475	45,917
TOTAL INTERIOR WORKS - - - - -	5,425	4,681	4,549	6,312	5,712	5,123	7,349	5,765	4,358	3,394
INCOME TAX - - - - -	1,050	1,050	1,050	1,181	1,356	1,400	1,400	1,400	1,400	1,400
GROSS TOTAL - - -	46,242	48,702	45,276	48,742	49,581	47,920	47,442	65,015	46,233	50,711
SUMS RECEIVED IN AID - - -	1,749	3,085	2,063	1,549	1,533	1,580	3,691	15,459	1,711	1,512
NET TOTAL - - -	44,493	45,617	43,213	47,193	41,048	46,340	43,751	49,556	44,522	49,199

ACCOUNT II. (continued).

APPENDIX B.

3.—DEPARTMENT OF THE MASTER OF THE HORSE.

A RETURN of EXPENSES incurred in the DEPARTMENT of the MASTER OF THE HORSE, showing the Amount Expended in each Quarter under various headings from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
LIVERIES - - - - -	6,088	5,860	6,390	5,508	6,215	5,747	6,529	8,979	6,103	5,725
FORAGE - - - - -	6,438	6,801	7,421	7,708	7,242	4,606	5,806	5,522	5,280	5,806
FARRIER - - - - -	1,117	1,083	1,125	1,043	1,036	1,058	1,058	1,196	1,070	1,367
HORSES - - - - -	3,112	2,276	1,577	1,628	3,082	5,501	4,743	4,144	4,712	4,742
CARRIAGES - - - - -	2,096	2,546	430	2,154	2,263	2,170	2,118	5,429	3,246	2,441
HARNES AND SADDLERY - - - - -	1,226	1,292	1,870	1,931	1,060	1,898	1,653	5,892	861	1,411
SUNDRY EXPENSES - - - - -	4,341	4,382	4,407	4,592	4,850	4,411	4,605	6,166	4,506	4,467
TRAVELLING EXPENSES - - - - -	8,834	10,816	9,212	9,833	10,903	9,694	10,230	14,202	9,131	9,774
DITTO - - H.M.'s FOREIGN VISIT	1,319	727	774	1,191	1,186	1,189	1,015	1,003	1,390	1,298
STUD AND PARK EXPENSES - - - - -	5,387	4,036	3,296	5,426	4,128	3,490	2,629	2,575	2,771	2,364
ROYAL HUNT EXPENSES - - - - -	4,868	4,000	4,279	4,508	4,183	4,000	4,182	3,687	4,000	3,588
QUEEN'S PREMIUMS FOR STUD HORSES -	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	2,310
UPHOLSTERY - - - - -	979	394	1,054	489	1,570	498	1,411	588	1,082	979
INCOME TAX - - - - -	968	988	988	1,111	1,276	1,317	1,317	1,317	1,317	1,317
GROSS TOTAL - - -	49,653	49,160	48,182	50,472	51,966	49,834	50,166	63,670	48,829	47,069
LESS SUMS RECEIVED IN AID -	3,231	5,180	3,087	3,055	4,260	3,426	4,605	21,901	3,456	1,830
NET TOTAL - - -	46,422	44,021	45,145	47,417	47,506	46,408	45,561	41,769	45,373	45,239

4.—DEPARTMENT OF THE MISTRESS OF THE ROBES.

A RETURN of the EXPENSES incurred in the DEPARTMENT of the MISTRESS OF THE ROBES, in each year from 1st January 1890 to 1st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
MISTRESS OF THE ROBES—BILLS - -	4,130	4,530	4,623	3,991	4,781	5,520	3,899	3,903	3,837	4,227
INCOME TAX - - - - -	125	125	125	140	161	167	167	167	167	167
TOTAL - - -	4,261	4,655	4,748	4,131	4,942	5,687	4,066	4,070	4,004	4,394

ACCOUNT II. (continued).

APPENDIX C.

THE LORD CHAMBERLAIN'S DEPARTMENT.

APPROXIMATE ANALYSIS OF EXPENDITURE at BUCKINGHAM PALACE and WINDSOR CASTLE under the head of "ORDINARIES."

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
BUCKINGHAM PALACE :										
Bills - - - - -	£. 7,845	£. 7,815	£. 7,525	£. 8,570	£. 6,845	£. 6,584	£. 5,916	£. 10,219	£. 5,679	£. 7,080
Wages and Incidents - - -	2,220	2,188	1,999	2,293	2,331	2,261	2,293	2,299	2,170	2,202
TOTAL - - - £.	10,065	10,003	9,524	10,863	9,176	8,845	8,209	12,518	7,849	9,282
WINDSOR CASTLE :										
Bills - - - - -	11,215	7,705	7,678	7,577	9,416	9,804	9,320	8,942	9,516	10,172
Wages and Incidents - - -	3,979	4,215	4,560	4,568	4,710	4,974	4,885	4,861	4,862	5,184
TOTAL - - - £.	15,194	11,920	12,238	12,145	14,126	14,778	14,105	13,803	14,378	15,356

Note.—These items refer mainly to the supply and maintenance of furniture and to internal decorations, other than structural works.

Lord Chamberlain's Office,
March 1901.

ACCOUNT III.

CIVIL LIST PENSIONS.

(Class V. of the Civil List.)

STATEMENT of Amounts issued from the Exchequer in each year of Her late Majesty's Reign.

Year.	Amount.	Year.	Amount.
	£. s. d.		£. s. d.
Year ending 5th January, 1838 -	Nil.	Year ending 31st March, 1870 -	20,941 4 6
" " 1839 -	621 4 2	" " 1871 -	21,525 1 7
" " 1840 -	1,545 16 3	" " 1872 -	21,238 17 9
" " 1841 -	2,742 17 9	" " 1873 -	21,909 19 3
" " 1842 -	4,022 3 11	" " 1874 -	21,517 10 7
" " 1843 -	5,120 - -	" " 1875 -	20,963 14 8
" " 1844 -	5,306 17 4	" " 1876 -	21,841 4 6
" " 1845 -	6,284 13 5	" " 1877 -	21,709 19 9
" " 1846 -	7,165 - -	" " 1878 -	21,754 17 9
" " 1847 -	8,051 4 8	" " 1879 -	22,107 15 6
" " 1848 -	8,982 10 -	" " 1880 -	22,467 10 5
" " 1849 -	10,245 - -	" " 1881 -	22,629 7 11
" " 1850 -	11,600 - -	" " 1882 -	22,589 17 7
" " 1851 -	11,481 2 2	" " 1883 -	23,540 19 1
" " 1852 -	12,730 - -	" " 1884 -	23,714 4 6
" " 1853 -	13,588 15 -	" " 1885 -	24,072 9 9
" " 1854 -	14,572 10 -	" " 1886 -	25,020 2 4
Quarter to 5th April, 1854 -	3,842 10 -	" " 1887 -	25,065 8 2
Year ending 31st March, 1855 -	15,310 - -	" " 1888 -	25,470 - 2
" " 1856 -	11,457 10 -	" " 1889 -	25,554 19 11
" " 1857 -	16,532 10 -	" " 1890 -	25,660 16 1
" " 1858 -	16,257 11 -	" " 1891 -	25,060 18 3
" " 1859 -	18,225 - -	" " 1892 -	24,591 17 3
" " 1860 -	18,260 - -	" " 1893 -	22,953 17 3
" " 1861 -	18,160 - -	" " 1894 -	22,300 19 11
" " 1862 -	19,260 10 10	" " 1895 -	22,774 3 1
" " 1863 -	20,327 18 8	" " 1896 -	23,022 3 6
" " 1864 -	20,843 13 6	" " 1897 -	22,578 13 7
" " 1865 -	21,313 - 5	" " 1898 -	23,289 7 2
" " 1866 -	21,498 5 1	" " 1899 -	23,773 10 8
" " 1867 -	22,052 10 -	" " 1900 -	24,059 19 4
" " 1868 -	20,721 5 -		
" " 1869 -	21,629 13 -	TOTAL - - -	1,125,453 3 11

ACCOUNT IV.

WOODS, FORESTS, AND LAND REVENUES OF THE CROWN.

STATEMENT of Gross Income, Gross Expenditure, and Payments into the Exchequer out of the Net Income for each year from January 5, 1837 to March 31, 1900.

YEAR ENDED—	Gross Income.		Gross Expenditure (see note *.)		Payments into Exchequer out of Net Income.		Vote for Office Expenses (actual expenditure).		Net Contribution to Revenue, subject to reduction by the Amounts stated in note †.	
	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.
* 5th January—										
1838 - - - -	298,248	6 5	147,992	16 4	—		—		—	
1839 - - - -	319,627	7 6	150,981	10 -	180,000	- -	—		—	
1840 - - - -	319,865	4 3	183,327	- 6	160,000	- -	—		—	
1841 - - - -	342,080	7 4	176,570	9 3	167,500	- -	—		—	
1842 - - - -	349,401	17 6	198,686	14 -	162,000	- -	—		—	
1843 - - - -	318,960	4 11	188,952	5 6	133,000	- -	—		—	
1844 - - - -	339,643	5 8	165,060	13 11	117,500	- -	—		—	
1845 - - - -	335,624	18 4	171,013	9 8	155,000	- -	—		—	
1846 - - - -	317,268	19 9	175,202	1 3	120,000	- -	—		—	
1847 - - - -	331,682	16 10	124,023	3 -	120,000	- -	—		—	
1848 - - - -	325,002	3 5	244,919	9 6	77,000	- -	—		—	
One Quarter to 31st March, 1848 - - - -	91,950	8 5	54,764	8 11	—		—		—	
Year to 31st March—										
1849 - - - -	340,275	5 1	207,485	10 8	81,000	- -	—		—	
1850 - - - -	349,097	5 2	192,102	17 11	200,000	- -	—		—	
1851 - - - -	347,356	1 2	179,179	16 8	160,000	- -	—		—	
1852 - - - -	367,489	17 1	150,898	10 2	190,000	- -	—		—	
1853 - - - -	382,396	17 3	101,918	11 6	252,000	- -	20,645	- -	231,355	- -
1854 - - - -	387,417	17 7	131,606	9 8	395,888	9 3	22,320	- -	373,559	- -
1855 - - - -	383,756	15 1	122,132	16 3	272,571	16 8	22,846	- -	249,726	- -
1856 - - - -	410,329	12 -	132,580	5 3	281,515	15 9	21,862	- -	259,654	- -
1857 - - - -	445,688	8 10	169,094	17 2	284,857	1 6	21,064	- -	263,193	- -
1858 - - - -	418,199	8 1	145,930	15 -	276,654	4 1	23,145	- -	253,509	- -
1859 - - - -	417,868	19 5	132,648	12 -	280,040	9 5	22,989	- -	257,051	- -
1860 - - - -	415,358	17 4	117,873	7 5	284,479	5 8	23,514	- -	260,965	- -
1861 - - - -	411,444	16 8	123,687	19 7	290,568	4 7	26,783	- -	263,785	- -
1862 - - - -	417,440	8 4	134,924	3 6	295,000	- -	25,108	- -	269,892	- -
1863 - - - -	432,449	2 1	125,790	17 1	300,000	- -	26,738	- -	273,262	- -
1864 - - - -	425,766	15 5	123,206	17 2	305,000	- -	26,839	- -	278,161	- -
1865 - - - -	441,620	3 9	122,048	12 6	310,000	- -	27,274	- -	282,726	- -
1866 - - - -	449,677	8 3	116,523	4 1	320,000	- -	26,614	- -	293,386	- -
1867 - - - -	432,456	3 7	97,347	15 9	330,000	- -	28,625	- -	301,373	- -
1868 - - - -	440,252	6 10	95,780	10 9	345,000	- -	24,840	- -	320,160	- -

* Down to 1852 the gross expenditure included (1) the office expenses, shown for later years in a separate column; (2) the maintenance of the London parks, &c., and occasionally the cost of buildings, now voted in Supply. The former may be taken at about 20,000*l.* per annum throughout; the latter amounted in 1837-38 to about 60,000*l.* In years prior to 1852, therefore, an addition of about 60,000*l.* should be made to the payments into Exchequer in order to give the net contribution to Revenue.

ACCOUNT IV. (continued).

Year ended—	Gross Income.		Gross Expenditure, including Office Expenses until 1852.		Payments into Exchequer out of Net Income.		Vote for Office Expenses (actual expenditure).		Net Contribution to Revenue, subject to reduction by the Amounts stated in note †.	
31st March—	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.
1869 - - - -	446,173	14 5	88,206	3 10	360,000	- -	24,336	- -	335,664	- -
1870 - - - -	447,723	11 4	87,590	10 6	375,000	- -	24,299	- -	350,701	- -
1871 - - - -	446,151	16 10	80,774	17 10	385,000	- -	23,244	- -	361,756	- -
1872 - - - -	446,800	15 11	86,597	11 6	375,000	- -	24,277	- -	350,723	- -
1873 - - - -	458,903	3 4	80,448	7 1	375,000	- -	23,152	- -	351,848	- -
1874 - - - -	463,241	9 3	78,341	11 7	375,000	- -	22,667	- -	352,333	- -
1875 - - - -	469,090	17 6	76,145	- 6	385,000	- -	23,619	- -	361,381	- -
1876 - - - -	479,674	18 1	75,857	14 8	395,000	- -	23,515	- -	371,485	- -
1877 - - - -	488,294	14 6	83,201	11 4	410,000	- -	24,221	- -	385,779	- -
1878 - - - -	490,819	15 7	87,088	17 9	410,000	- -	23,149	- -	386,851	- -
1879 - - - -	489,448	11 9	88,400	11 10	410,000	- -	21,789	- -	388,211	- -
1880 - - - -	470,216	13 11	83,467	9 5	390,000	- -	22,079	- -	267,921	- -
1881 - - - -	463,437	14 7	91,185	9 -	390,000	- -	21,914	- -	368,086	- -
1882 - - - -	473,001	- 6	97,228	5 2	380,000	- -	21,774	- -	358,226	- -
1883 - - - -	491,101	14 7	97,354	16 11	380,000	- -	22,550	- -	357,450	- -
1884 - - - -	498,252	14 6	113,784	8 4	380,000	- -	22,800	- -	357,200	- -
1885 - - - -	483,305	19 1	99,734	19 -	380,000	- -	23,292	- -	356,708	- -
1886 - - - -	477,820	- 5	103,384	17 4	380,000	- -	22,605	- -	357,395	- -
1887 - - - -	472,450	6 11	97,123	16 3	370,000	- -	23,015	- -	346,985	- -
1888 - - - -	507,427	17 5	94,739	5 -	390,000	- -	23,750	- -	366,250	- -
1889 - - - -	506,828	- 6	91,776	15 -	430,000	- -	24,079	- -	405,921	- -
1890 - - - -	507,319	7 6	90,079	1 9	430,000	- -	26,386	- -	403,614	- -
1891 - - - -	515,737	3 10	87,121	19 6	430,000	- -	25,152	- -	404,848	- -
1892 - - - -	526,340	3 4	95,095	12 2	430,000	- -	22,108	- -	407,892	- -
1893 - - - -	515,596	2 5	94,981	19 9	430,000	- -	21,302	- -	406,698	- -
1894 - - - -	519,074	3 3	104,624	13 1	420,000	- -	20,625	- -	399,375	- -
1895 - - - -	518,819	8 6	105,967	1 10	410,000	- -	20,024	- -	389,376	- -
1896 - - - -	519,067	14 8	103,573	5 2	415,000	- -	19,260	- -	395,740	- -
1897 - - - -	528,545	3 8	108,142	9 8	415,000	- -	19,532	- -	395,468	- -
1898 - - - -	552,651	16 8	109,491	12 -	415,000	- -	19,456	- -	395,544	- -
1899 - - - -	561,515	6 7	111,780	2 -	430,000	- -	20,476	- -	409,524	- -
1900 - - - -	574,083	12 5	114,375	9 8	450,000	- -	20,308	- -	429,692	- -

† In addition to the sums added in Column 4, being the expenditure from the Vote for the Office of Woods, other expenses fall upon Votes of Parliament in connection with that Department, viz., for pensions, stationery, and printing, office accommodation, and legal expenses in Scotland. These figures cannot be given prior to the year 1878-79; but for that and subsequent years they have been collected by the Comptroller and Auditor General in connection with his Reports on the Appropriation Accounts, with the following results:

	£.		£.
1878-79 - - - -	7,498	1889-90 - - - -	6,801
1879-80 - - - -	8,206	1890-91 - - - -	6,916
1880-81 - - - -	7,352	1891-92 - - - -	7,606
1881-82 - - - -	8,253	1892-93 - - - -	8,341
1882-83 - - - -	6,677	1893-94 - - - -	8,716
1883-84 - - - -	7,868	1894-95 - - - -	9,872
1884-85 - - - -	6,264	1895-96 - - - -	9,839
1885-86 - - - -	7,458	1896-97 - - - -	8,091
1886-87 - - - -	7,986	1897-98 - - - -	8,816
1887-88 - - - -	9,039	1898-99 - - - -	8,741
1888-89 - - - -	8,555	1899-1900 - - - -	8,094

The net receipts should, therefore, be reduced by a further sum averaging about 9,000*l.* a year.

ACCOUNT V.

SMALL BRANCHES OF HEREDITARY REVENUE.

CERTAIN small branches of Hereditary Revenue was kept apart from the surrender of Hereditary Revenues by George III. and George IV. in return for the grant of a fixed Civil List. These Revenues consisted of proceeds of intestate estates, sundry fines, small surpluses derived from the Channel Islands, and Droits of Admiralty, &c. They were enjoyed by George III. and George IV. in addition to the Civil List paid to them from the Exchequer. William IV. surrendered these items of Revenue together with the other Hereditary Revenues, and Her late Majesty did the same. They stand, however, in the same position as the Land Revenues, having been only surrendered for the life of the Sovereign.

	Exchequer Receipts.	Less Salary, &c., of Receiver of Hereditary Revenue paid from Votes.	Net Receipts.
Year ended 5th January—	£. s. d.	£. s. d.	£. s. d.
1838 - - - - -	5,067 11 10	—	5,067 11 10
1839 - - - - -	4,575 6 6	—	4,575 6 6
1840 - - - - -	18,601 5 11	—	18,601 5 11
1841 - - - - -	4,519 4 8	—	4,519 4 8
1842 - - - - -	5,562 14 11	—	5,562 14 11
1843 - - - - -	4,277 9 2	—	4,277 9 2
1844 - - - - -	5,440 11 7	—	5,440 11 7
1845 - - - - -	40,697 9 3	—	40,697 9 3
1846 - - - - -	56,104 16 -	—	56,104 16 -
1847 - - - - -	24,047 3 6	—	24,047 3 6
1848 - - - - -	8,187 6 3	—	8,187 6 3
1849 - - - - -	9,202 8 9	—	9,202 8 9
1850 - - - - -	42,342 7 5	—	42,342 7 5
1851 - - - - -	8,863 6 -	—	8,863 6 -
1852 - - - - -	25,826 6 1	—	25,826 6 1
1853 - - - - -	14,850 16 10	—	14,850 16 10
1854 - - - - -	16,669 13 1	—	16,669 13 1
Quarter to 5th April 1854 - -	1,408 3 8	—	1,408 3 8
Year to 31st March—			
1855 - - - - -	8,902 8 5	—	8,902 8 5
1856 - - - - -	59,664 - 3	—	59,664 - 3
1857 - - - - -	13,760 14 7	—	13,760 14 7
1858 - - - - -	43,522 4 -	—	43,522 4 -
1859 - - - - -	4,480 4 11	—	4,480 4 11
1860 - - - - -	4,743 19 4	—	4,743 19 4
1861 - - - - -	16,420 15 4	—	16,420 15 4
1862 - - - - -	33,580 1 9	—	33,580 1 9
1863 - - - - -	3,955 16 10	—	3,955 16 10
1864 - - - - -	126,631 10 -	—	126,631 10 -

ACCOUNT V. (continued).

Year to 31st March—	Exchequer Receipts.	Less Salary, &c., of Receiver of Hereditary Revenue paid from Votes.	Net Receipts.
	£. s. d.	£. s. d.	£. s. d.
1865 - - - - -	92,027 6 4	—	92,027 6 4
1866 - - - - -	10,300 12 10	—	10,300 12 10
1867 - - - - -	1,534 13 2	—	1,534 13 2
1868 - - - - -	10,697 10 2	—	10,697 10 2
1869 - - - - -	10,581 6 3	—	10,581 6 3
1870 - - - - -	30,358 18 8	899 3 4	29,459 15 4
1871 - - - - -	11,736 4 10	861 13 4	10,874 11 6
1872 - - - - -	25,393 7 5	861 13 4	24,531 14 1
1873 - - - - -	13,079 12 4	861 13 4	12,217 19 -
1874 - - - - -	88,276 8 1	861 13 4	87,414 14 9
1875 - - - - -	48,365 16 11	861 13 4	47,504 3 7
1876 - - - - -	48,557 - 10	438 8 11	48,118 11 11
1877 - - - - -	56,857 3 10	445 - -	56,412 3 10
1878 - - - - -	87,081 18 -	445 - -	86,636 18 -
1879 - - - - -	49,139 14 -	445 - -	48,694 14 -
1880 - - - - -	49,959 13 7	445 - -	49,514 13 7
1881 - - - - -	69,268 2 10	445 - -	68,823 2 10
1882 - - - - -	28,066 1 8	445 - -	27,621 1 8
1883 - - - - -	18,027 10 6	445 - -	17,582 10 6
1884 - - - - -	27,986 - 6	445 - -	27,541 - 6
1885 - - - - -	119,833 16 9	445 - -	119,388 16 9
1886 - - - - -	37,655 4 7	445 - -	37,210 4 7
1887 - - - - -	136,513 15 9	445 - -	136,068 15 9
1888 - - - - -	31,906 6 7	445 - -	31,461 6 7
1889 - - - - -	68,514 3 1	445 - -	68,069 3 1
1890 - - - - -	160,635 1 6	445 - -	160,190 1 6
1891 - - - - -	58,271 6 2	445 - -	57,826 6 2
1892 - - - - -	58,311 16 7	445 - -	57,866 16 7
1893 - - - - -	26,175 13 4	445 - -	25,730 13 4
1894 - - - - -	44,642 8 -	445 - -	44,197 8 -
1895 - - - - -	24,705 - 5	445 - -	24,260 - 5
1896 - - - - -	24,099 17 9	445 - -	23,654 17 9
1897 - - - - -	25,364 19 3	445 - -	24,919 19 3
1898 - - - - -	19,310 15 7	445 - -	18,865 15 7
1899 - - - - -	19,342 6 8	445 - -	18,897 6 8
1900 - - - - -	28,268 7 8	445 - -	27,823 7 8
		Total - - -	2,256,426 - 4
		Average - - -	35,816 5 8

Since 1892, a sum of about 4,000*l.* per annum, derived from fines and forfeitures in Scotland, part of the Hereditary Revenue, has been appropriated in aid of the Vote for Law Charges, &c., Scotland. This falls to be added to the above figures for 1892-93 and subsequent years.

ACCOUNT VI.

PAYMENTS made to Her Majesty the Queen and to His Royal Highness the Prince of Wales, out of the Revenues of the Duchies of Lancaster and Cornwall, during the late Reign.

(1)—*Payments to Her Majesty the Queen.*

(a) Out of the Revenues of the Duchy of Cornwall, which were paid to Her Majesty from the date of Her Accession until the 9th November, 1841, the date of the Birth of the Prince of Wales.

Period.	Amount.
Year to Michaelmas 1838 - - - - -	£ 2,000
" " 1839 - - - - -	22,000
" " 1840 - - - - -	18,500
" " 1841 - - - - -	16,000
Michaelmas 1841 to November 9, 1841 - - - - -	8,000
Total - - - - -	66,500

(b) Out of the Revenues of the Duchy of Lancaster.

Year.	Amount.	Year.	Amount.
	£.		£.
1838 - - - - -	5,000	1869 - - - - -	31,000
1839 - - - - -	12,000	1870 - - - - -	32,000
1840 - - - - -	12,000	1871 - - - - -	31,000
1841 - - - - -	15,000	1872 - - - - -	40,000
1842 - - - - -	15,000	1873 - - - - -	41,000
1843 - - - - -	13,000	1874 - - - - -	42,000
1844 - - - - -	8,000	1875 - - - - -	41,000
1845 - - - - -	10,000	1876 - - - - -	43,000
1846 - - - - -	15,000	1877 - - - - -	45,000
1847 - - - - -	12,000	1878 - - - - -	44,000
1848 - - - - -	12,000	1879 - - - - -	41,000
1849 - - - - -	9,500	1880 - - - - -	41,000
1850 - - - - -	12,000	1881 - - - - -	43,000
1851 - - - - -	12,000	1882 - - - - -	45,000
1852 - - - - -	15,000	1883 - - - - -	44,000
1853 - - - - -	15,500	1884 - - - - -	45,000
1854 - - - - -	18,000	1885 - - - - -	45,000
1855 - - - - -	20,000	1886 - - - - -	50,000
1856 - - - - -	20,000	1887 - - - - -	50,000
1857 - - - - -	24,000	1888 - - - - -	50,000
1858 - - - - -	27,000	1889 - - - - -	50,000
1859 - - - - -	25,000	1890 - - - - -	50,000
1860 - - - - -	25,000	1891 - - - - -	50,000
1861 - - - - -	10,000	1892 - - - - -	48,000
1862 - - - - -	22,000	1893 - - - - -	48,000
1863 - - - - -	37,000	1894 - - - - -	48,000
1864 - - - - -	26,000	1895 - - - - -	48,000
1865 - - - - -	26,000	1896 - - - - -	60,000
1866 - - - - -	29,000	1897 - - - - -	60,000
1867 - - - - -	29,000	1898 - - - - -	60,000
1868 - - - - -	28,500	1899 - - - - -	60,000

The Revenues of the Duchy of Lancaster will be paid to the present Sovereign.

ACCOUNT VI. (continued).

(2).—*Payments to His Royal Highness the Prince of Wales.*

Out of the Revenues of the Duchy of Cornwall.

Year.	Amount.	Year.	Amount.
	£. s. d.		£. s. d.
1842* - - - - -	20,100 - -	1871 - - - - -	65,484 11 4
1843 - - - - -	18,579 7 6	1872 - - - - -	62,348 16 11
1844 - - - - -	22,877 10 -	1873 - - - - -	62,515 1 11
1845 - - - - -	11,035 - -	1874 - - - - -	65,901 7 2
1846 - - - - -	12,032 10 -	1875 - - - - -	67,141 11 11
1847 - - - - -	41,728 2 6	1876 - - - - -	70,375 2 8
1848 - - - - -	7,376 5 -	1877 - - - - -	69,339 - 8
1849 - - - - -	20,557 10 -	1878 - - - - -	65,831 14 8
1850 - - - - -	38,675 8 -	1879 - - - - -	65,258 13 2
1851 - - - - -	40,303 11 6	1880 - - - - -	54,959 12 9
1852 - - - - -	39,052 - -	1881 - - - - -	59,079 7 -
1853 - - - - -	37,225 - -	1882 - - - - -	63,870 8 8
1854 - - - - -	39,225 - -	1883 - - - - -	65,167 8 8
1855 - - - - -	43,231 10 -	1884 - - - - -	64,641 9 9
1856 - - - - -	43,340 - -	1885 - - - - -	57,691 11
1857 - - - - -	39,112 10 -	1886 - - - - -	60,563 3 3
1858 - - - - -	40,657 - -	1887 - - - - -	60,290 15 3
1859 - - - - -	40,785 - -	1888 - - - - -	61,971 1 6
1860 - - - - -	45,073 7 4	1889 - - - - -	63,593 5 4
1861 - - - - -	32,139 18 11	1890 - - - - -	64,523 9 4
1862 - - - - -	52,130 - -	1891 - - - - -	63,848 3 1
1863 - - - - -	46,000 - -	1892 - - - - -	60,098 8 3
1864 - - - - -	50,000 - -	1893 - - - - -	57,085 18 1
1865 - - - - -	51,331 11 2	1894 - - - - -	57,733 14 6
1866 - - - - -	53,403 11 9	1895 - - - - -	55,073 16 -
1867 - - - - -	54,927 9 11	1896 - - - - -	55,671 4 11
1868 - - - - -	55,252 2 1	1897 - - - - -	58,118 11 8
1869 - - - - -	63,587 4 -	1898 - - - - -	61,242 19 6
1870 - - - - -	62,574 4 6	1899 - - - - -	66,915 6 4

* Including the period from 9th November 1841 to 31st December 1841.
The Revenues of the Duchy of Cornwall will be paid to the present Duke.

ACCOUNT VII.

AN ESTIMATE of the Future Annual Charge in respect of the Civil List of His Majesty.

FIRST CLASS :	£.
Their Majesties' Privy Purse - - - - -	110,000
SECOND CLASS :	
Salaries of His Majesty's Household and Retired Allowances - - - - -	128,000
THIRD CLASS :	
Expenses of His Majesty's Household - - - - -	194,000
FOURTH CLASS :	
Works - - - - -	20,000
FIFTH CLASS :	
Royal Bounty, Alms, and Special Services - - - - -	13,000
SIXTH CLASS :	
Unappropriated - - - - -	4,800
TOTAL - - - £.	470,000

Note.—It is proposed to charge on the Consolidated Fund the pensions, &c. granted, or to be granted, to members of Her late Majesty's Household, to an amount not exceeding 25,000*l.* per annum.

ACCOUNT VII. (continued).

APPENDIX A.

COMPARISON with Civil List of Her late Majesty.

	Civil List of Her late Majesty as fixed in 1837.	Proposed Civil List of His Majesty.
	£.	£.
FIRST CLASS :		
Their Majesties' Privy Purse - - - - -	60,000	110,000
SECOND CLASS :		
The King's Personal Staff - - - - -	—	10,500
The Lord Steward's Department - - - - -	36,381	29,000
The Lord Chamberlain's Department - - - - -	66,499	59,500
The Master of the Horse's Department - - - - -	27,650	29,000
<i>The Mistress of the Robes' Department</i> - - - - -	730	—
TOTAL, CLASS II. - - - £.	131,260	128,000
THIRD CLASS :		
The Lord Steward's Department - - - - -	86,000	106,000
The Lord Chamberlain's Department - - - - -	42,000	43,000
The Master of the Horse's Department - - - - -	39,500	45,000
<i>The Mistress of the Robes' Department</i> - - - - -	5,000	—
TOTAL, CLASS III. - - - £.	172,500	194,000
FOURTH CLASS :		
Works transferred from the Lord Steward - - - - -	—	3,000
Works transferred from the Lord Chamberlain - - - - -	—	7,000
Works transferred from the Vote for Royal Palaces - - - - -	—	10,000
TOTAL, CLASS IV. - - - £.	—	20,000
FIFTH CLASS :		
Royal Bounty and Special Service - - - - -	9,000	9,000
Alms and Charities - - - - -	4,200	4,200
TOTAL, CLASS V. - - - £.	13,200	13,200
Unappropriated Money - - - - -	£,040	8,040

ACCOUNT VII. (continued).

APPENDIX B.

DETAILS OF CLASS II.

1. THE KING'S PERSONAL STAFF :—		£.
Private Secretary, Keeper of the Privy Purse, Secretary, Clerks, &c.	- -	9,500
Add,—For prospective Non-Effective Charge (say)	- - -	1,000
		£. 10,500

	Charge on 1st January 1900.	Proposed Future Establishment.
2: THE LORD STEWARD'S DEPARTMENT :—	£.	£.
Lord Steward - - - - -	2,000	2,000
Treasurer - - - - -	904	700
Comptroller - - - - -	904	700
Master of the Houschold - - - - -	1,158	1,158
Secretary to the Board of Green Cloth - - - - -	1,000	1,000
Clerks, Mtssengers, &c., in the Lord Steward's Office -	1,139	1,130
Paymaster of the Household - - - - -	1,000	1,000
Domestic Servants - - - - -	13,852	13,365
Marshalmen - - - - -	840	340
Ecclesiastical Salaries and Allowances - - - - -	4,601	4,665
<i>Non-Effective Charge</i> - - - - -	<i>4,331</i>	—
TOTAL, Lord Steward's Department - - £.	31,729	26,558

	£.
Future Effective Charge, as above - - - - -	26,558
Add,—For prospective Non-Effective Charge (say) - - -	2,442
TOTAL (say) - - - £.	29,000

ACCOUNT VII. (continued).

Appendix B.

	Charge on 1st January 1900.	Proposed Future Establishment.
3. THE LORD CHAMBERLAIN'S DEPARTMENT :—	£.	£.
Lord Chamberlain - - - - -	2,000	2,000
Vice-Chamberlain - - - - -	900	700
Comptroller, Lord Chamberlain's Office - - - - -	1,000	1,500*
Clerks and Messengers, Lord Chamberlain's Office - - - - -	2,346	2,440
Messengers to the King (4) - - - - -	1,180	800
Lords-in-Waiting (8, to be reduced to 6) - - - - -	5,602	3,600
Grooms-in-Waiting (7, to be reduced to 6) - - - - -	2,772	1,800
The Queen's Household - - - - -	9,100	7,180
Master of the Ceremonies, Assistant, and Marshal - - - - -	1,027	1,030
Gentlemen Ushers and Grooms of the Chamber, Pages, &c. (55, to be reduced to 36) - - - - -	7,673	4,746
Inspectors (3) - - - - -	600	750
Housekeepers (5) - - - - -	1,379	493
Tapissiers - - - - -	730	530
Housemaids, &c. - - - - -	2,441	2,236
Officers of the Garter and other Orders - - - - -	1,273	1,273
Medical Staff - - - - -	1,598	1,400
Examiner of Plays - - - - -	300	300
Poet Laureate - - - - -	70	70
<i>Reader at Windsor Castle</i> - - - - -	200	—
Librarian, Windsor, and Assistants - - - - -	808	808
<i>Principal Painter</i> - - - - -	39	—
Surveyor of Pictures - - - - -	250	200
King's Band, &c. - - - - -	2,100	2,100
Ecclesiastical Officers - - - - -	1,521	1,354
<i>Governor, Windsor Castle</i> - - - - -	1,100	—
Bargemaster, Watermen, Caretakers, &c. - - - - -	394	110
<i>Gamekeepers at Richmond</i> - - - - -	164	—
Gentlemen at Arms—Captain - - - - -	1,200	1,000
Officers - - - - -	813	800
Men - - - - -	2,730	2,720
Yeomen of the Guard—Captain - - - - -	1,200	1,000
Officers - - - - -	1,237	1,200
Men - - - - -	5,150	5,150
TOTAL, Effective Charge - - - £.	60,897	49,300
<i>Non-Effective - - - £</i>	<i>3,397</i>	—
TOTAL, Lord Chamberlain's Department - - - £.	64,294	49,300
Future ultimate effective charge, as above - - - - -		49,300
<i>Add,—</i> For prospective non-effective charge, and for redundant salaries during reduction (say) - - - - -		10,200
TOTAL (say) - - - £.		59,500

* Addition in lieu of official residence required for office accommodation.

Note.—The reductions in numbers and salaries will be effected as vacancies or other opportunities occur.

ACCOUNT VII. (continued).

Appendix B.

	Charge on 1st January 1900.	Proposed Future Establishment.
	£.	£.
4. THE MASTER OF THE HORSE'S DEPARTMENT :—		
Master of the Horse - - - - -	2,500	2,000
Master of the Buckhounds - - - - -	1,500	1,500
Equerries and Pages of Honour (13, to be reduced to 12)	6,220	5,720
Accountant, Superintendents, Clerks, and Messenger (7)	1,355	1,890
Coachmen, &c. (37) - - - - -	3,085	3,890
Footmen, &c. (34) - - - - -	2,360	2,360
Weekly Helpers' wages (1,000 <i>l.</i> transferred from Class III.) - - - - -	7,891	8,200
Hunt salaries and wages (555 <i>l.</i> transferred from Class III.) - - - - -	1,300	1,300
<i>Non-Effective</i> - - - - -	4,121	—
TOTAL, Master of the Horse's Department - £.	30,332	26,860

	£.
Future effective charge, as above - - - - -	26,860
<i>Add—</i>	
For prospective non-effective charge (say) - - - - -	2,140
TOTAL (say) - - - £.	29,000

Treasury,
11th March 1901.

AUSTEN CHAMBERLAIN.

ACCOUNTS RELATING TO THE CIVIL LIST SUBSEQUENTLY SUBMITTED.

ACCOUNT VIII.

PALACES IN PERSONAL OCCUPATION OF THE SOVEREIGN.

ANNUAL EXPENDITURE.

	1899-1900. (Actual).			1900-1901. (Approximate).			1901-1902. (Estimate).		
	Works.	Main- tenance.	Total.	Works.	Main- tenance.	Total.	Works.	Main- tenance.	Total.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Buckingham Palace - - -	3,575	1,300	4,875	3,350	1,520	4,870	1,650	2,370	4,020
Royal Mews, Pimlico - - -	825	1,880	2,705	810	1,850	2,660	810	2,410	3,220
Windsor Castle - - - - -	3,500	4,650	8,150	3,240	4,810	8,050	1,525	6,130	7,655
Windsor Home Park, with Ade- laide Lodge, &c. - - - -	100	620	720	100	1,000	1,100	230	870	1,100
Windsor Royal Kitchen Gardens	300	1,160	1,460	500	1,160	1,660	100	1,210	1,310
Frogmore House and Grounds -	100	600	700	100	600	700	100	680	780
TOTAL - - - £.	8,400	10,210	18,610	8,100	10,940	19,040	4,415	13,670	18,085

Average, *per annum*, 18,578*l*.

This includes external as well as internal works, also gardens, grounds, &c., but about two-thirds of the total, or 12,000*l*., may be taken to represent internal works paid for out of Votes of Parliament.

This is the sum in lieu of which it is proposed to provide 10,000*l*. per annum in the new Civil List, the estimate for Royal Palaces being reduced by a corresponding sum. A smaller sum is taken than the average expenditure of recent years, because the latter was swollen by the cost of introducing electric light, which will not recur.

Office of Works,
6 March 1901

ACCOUNT IX.

ROYAL YACHTS.

STATEMENT showing cost of each of the Four Royal Yachts for the past Ten Years.

	Victoria and Albert.	Osborne.	Alberta.	Elfin.	TOTAL
	£.	£.	£.	£.	£.
1890-91 - - - - -	4,169	2,043	3,594	678	10,484
1891-92 - - - - -	4,147	9,943	1,084	1,539	16,713
1892-93 - - - - -	4,557	18,374	1,522	652	25,105
1893-94 - - - - -	4,941	4,310	3,195	530	12,976
1894-95 - - - - -	5,470	4,036	4,162	691	14,359
1895-96 - - - - -	7,456	3,905	1,664	474	13,499
1896-97 - - - - -	6,223	6,195	1,971	1,097	15,486
1897-98 - - - - -	8,805	6,742	2,045	1,088	18,680
1898-99 - - - - -	5,095	9,077	2,305	1,090	17,567
1899-1900 - - - - -	5,211	12,722	2,671	3,208	23,812
TOTAL - - - £.	56,074	77,347	24,213	11,047	168,681

Note.—The cost of coals is not included until 1896-97, as it was not charged to specific ships until that year.

It is intended to discontinue the "Alberta" and "Elfin" as Royal Yachts.

ACCOUNT X.

PENSIONS &c., TO MEMBERS OF THE LATE QUEEN'S HOUSEHOLD.

PARTICULARS of the Proposed Charge on the Consolidated Fund not exceeding 25,000/. per annum.

	£.
Non-Effective Charge on Class II. of the Civil List on 22nd January 1901, 11,954/. 9s.--say - - - - -	12,000
Ladies of Queen Victoria's Household: Total Amount of Proposed Pensions - -	2,600
Gentlemen of Queen Victoria's Household: Total Amount of Proposed Pensions -	6,150
Provision for Pensions to Servants on Queen Victoria's Establishment whom it will be found necessary to retire immediately; the Pensions to be calculated at the ordinary rates applicable to Her late Majesty's Establishment - - -	4,250
TOTAL - - - £.	25,000

ACCOUNT XI.

NEW CIVIL LIST.

Cost to the PUBLIC of the proposed Arrangements as compared with those in the Late Reign.

I.—UNDER THE LATE REIGN.

A.—THE SOVEREIGN AND HEIR APPARENT :		£.
1. Civil List - - - - -		385,000
2. Prince of Wales - - - - -		40,000
3. Princess of Wales - - - - -		10,000
4. Prince of Wales' Children - - - - -		36,000
		471,000
5. Internal works at Buckingham Palace and Windsor Castle borne on Vote for Royal Palace - - - - -		10,000
		£. 481,000
B.—OTHER CHARGES CONNECTED WITH THE MONARCHY :		£.
1. Dowager German Empress - - - - -	8,000	
2. Duke of Connaught - - - - -	25,000	
3. Three younger Daughters of Queen Victoria (6,000 <i>l.</i> each) - - -	18,000	
4. Duchess of Albany - - - - -	6,000	
5. Duke of Cambridge - - - - -	12,000	
6. Duchess of Mecklenburg - - - - -	3,000	
		72,000
		£. 553,000

II.—UNDER THE PRESENT REIGN.

A.—THE SOVEREIGN AND HEIR APPARENT :		
1. Civil List (including transfer of 10,000 <i>l.</i> from Works Vote) - - - - -		470,000
2. Pensions to members of Queen Victoria's Household - - - - -		25,000
3. Sundry small charges removed from Civil List - - - - -		5,000
		£. 500,000
4. Duke of Cornwall - - - - -	20,000	
5. Duchess of Cornwall - - - - -	10,000	
		30,000
		530,000
B.—OTHER CHARGES CONNECTED WITH THE MONARCHY :		
1. Provision for the King's Daughters at the rate of 6 000 <i>l.</i> each - - -	18,000	
2. Same as in No. 1 (B.) - - - - -	72,000	
		90,000
		620,000
As compared with - - - - -		553,000
NET INCREASE - - £.		67,000

STATEMENT RELATING TO ROYAL BOUNTY AND SPECIAL SERVICE.

(A) HISTORY.

THE Royal Bounty and Special Service Fund represents two accounts which were amalgamated under that double name many years ago. Its amount was fixed at 9,000*l.* in 1831, having previously been considerably larger.

The term "*Royal Bounty*" sufficiently explains the purpose to which the Fund is principally applied. Two principles were laid down for its application: firstly, that no one person should receive a grant more than once in three years; and, secondly, that no applicants should be relieved by the Royal Bounty except "in their distress or for their desert." These two rules, *Distress or Desert*, have been gradually tightened, and now *both Distress and Desert* are required.

The term "*Special Service*" has never been precisely defined. Originally the Fund seems to have been used as a miscellaneous account, like the "Civil Contingencies Fund." For instance, a great excess in 1802 was largely due to expenditure "to make up deficiency of fees towards the salaries of different Offices," and to the cost of "presents to Ministers of Foreign Courts on signing treaties, &c., and presents to the Barbary States. By current practice the use of Special Service is restricted to incidental expenditure of a quasi-public nature but not suitable to be borne on the Votes, and to the endowment of research.

Originally, grants from the Royal Bounty and Special Service Fund seem to have been made by the King personally; but by the close of the eighteenth century the administration of the Fund was specially committed to the First Lord of the Treasury, though the method of payment by Royal Warrant was continued till 1810 in the case of Royal Bounty, and till 1831 in the case of Special Service.

(B) ADMINISTRATION.

The only standing regulation affecting the employment of the Fund is that Royal Bounty shall not be given to the same recipient at intervals of less than three years. In other respects the management of the Fund is regulated by official traditions alone.

(I.) *Royal Bounty.*

On its charitable side the Fund is administered on principles similar to those regulating the award of Civil List Pensions, but with a greater elasticity. Those principles are *Distress and Desert* combined.

The *Distress* has to be carefully investigated on behalf of the First Lord; and yearly grants to the Charity Organisation Society and the Anti-Mendicity Society enable him to refer to those institutions whenever he desires. In estimating *Distress*, special regard is paid to the opinion expressed by the Civil List Pensions Committee in 1838, that "where close relationship exists, and where means of support may be afforded, it is to family connections and not to the public purse that application for relief should be made."

The qualification of *Desert* depends, not merely on the applicants' respectability, but also on proof of services rendered by him or his relatives to:—(1) The Sovereign personally; (2) the State; (3) Science; (4) Literature; (5) the Arts; these being the statutory requirements in the analogous case of Civil List Pensions.

Claims depending on services rendered by the applicant himself are given the priority over those based on the services of a relative, and in the latter class of cases the degree of relationship is an important factor.

Of the many headings under which "*Desert*" can be claimed, the most vague is perhaps that of services to the State. Under this pretext attempts are sometimes made to convert the Fund into a benevolent fund for the widows and orphans of Civil Servants, or for such relatives of soldiers or sailors as are not entitled to pensions. But it was never intended, and would be altogether insufficient for such purposes, and its use has to be jealously restricted to cases of exceptional merit or exceptional hardship only. To meet ordinary cases there exists a Civil Service Benevolent Fund, under voluntary management, and the War Office and Admiralty have compassionate funds of their own.

The three years' rule has always been strictly observed, and second and third grants are not made except in special cases. Difficulties have arisen from the gift of *unconditional doles*, without any restriction as to their expenditure, or any warning that they were not likely to be repeated; and to avoid the bad results of such a system, it is now the practice to refuse such unconditional doles in every case except where the expectation of life is very short, or where the distress is only likely to be *temporary*; and even in such cases the money is usually placed in the hands, not of the applicant, but of some responsible trustee, who will see that it is properly expended.

In cases of *chronic* poverty it is the practice:—

1. Wherever possible, to insist on some contribution being forthcoming from outside sources, *e.g.*, (a) from the signatories to the memorial appealing for assistance; or (b) from local subscribers, in cases where the applicant has done good local work; or (c) from charitable funds, such as the Royal Literary Fund or the Royal Society's Benevolent Fund.

2. To make a Royal Bounty grant in augmentation of such outside fund on the strict understanding that the combined amount is used for providing the recipient with some *permanent* means of support, preferably a life annuity.

3. In cases where no outside support is forthcoming, and where a large enough grant from Royal Bounty is justifiable, to pay the sum over to the Post Office Savings Bank for the purchase of a life annuity for the applicant.

4. Or if the amount that can be granted is insufficient to buy a life annuity worth having, to place it in the hands of some trustworthy almoner for some special purpose, such as the education of the applicant's children.

(II.) Special Service.

Under this heading the Fund is now and again used for certain occasional and exceptional calls upon the Civil List of a public or semi-public nature, such as Royal Marriages and Funerals or semi-political visits of Foreign Sovereigns.

Of late years also the practice has been started of utilising the Fund directly or indirectly for the endowment of research. For instance, in 1894, 200*l.* was given to the British School at Athens ; in 1895, 550*l.* towards the cost of the International Geographical Congress ; in 1896, 600*l.* to the English Dialect Dictionary ; in 1898, 250*l.* to the International Zoological Congress ; in 1899, 500*l.* to the Lake Tanganyika Exploration Expedition, and 500*l.* towards a special scientific investigation.

REPORT
FROM THE
SELECT COMMITTEE
ON THE
CIVIL LIST;
WITH THE
PROCEEDINGS OF THE COMMITTEE.
AND AN APPENDIX.

Ordered, by The House of Commons, to be Printed,
28 March 1901.

[*Price 5d.*]

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Under 5 oz.

R E P O R T

FROM THE

S E L E C T C O M M I T T E E

ON

C O M M O N S ;

WITH THE

P R O C E E D I N G S O F T H E C O M M I T T E E .

Ordered, by The House of Commons, to be Printed,
2 May 1901.

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1901.

COMMONS.

Ordered,—[Monday, 25th February 1901]:—THAT a Select Committee be appointed to consider every Report made by the Board of Agriculture certifying the expediency of any Provisional Order for the enclosure or regulation of a Common, and presented to the House during the last or present Sessions, before a Bill be brought in for the confirmation of such Order.

Ordered,—THAT it be an instruction to the Committee that they have power in respect of each such Provisional Order to inquire and report to the House whether the same should be confirmed by Parliament; and, if so, whether with or without modification, and in the event of their being of opinion that the same should not be confirmed, except subject to modifications, to report such modifications accordingly with a view to such Provisional Order being remitted to the Board of Agriculture.

Ordered,—THAT the Committee do consist of Twelve Members; Seven to be nominated by the House, and Five by the Committee of Selection.

THAT the Committee have power to send for Persons, Papers, and Records.

THAT Five be the Quorum.

[Monday, 25th March 1901]:—Mr. Crombie, Mr. Freeman Thomas, Mr. Jeffreys, Mr. Heywood Johnstone, Mr. William Jones, Mr. A. K. Loyd, and Mr. Montagu were nominated Members of the Select Committee on Commons, with Five Members to be added by the Committee of Selection.

[Tuesday, 26th March 1901]:—The following Members are added to the Select Committee on Commons:—

Mr. R. Jasper More.
Mr. John Roche.
Mr. Wingfield-Digby.

Mr. F. W. Wilson (Norfolk, Mid.).
Captain Bagot.

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R E P O R T.

THE SELECT COMMITTEE appointed to consider every Report made by the BOARD OF AGRICULTURE, certifying the expediency of any PROVISIONAL ORDER for the ENCLOSURE or REGULATION of a COMMON, and presented to the House during the last or present Sessions before a Bill be brought in for the confirmation of such Order, and who were instructed that they have power in respect of each such Provisional Order to inquire and report to the House whether the same should be confirmed by Parliament, and if so whether with or without modification; and in the event of their being of opinion that the same should not be confirmed, except subject to modifications, to report such modifications accordingly, with a view to such Provisional Order being remitted to the Board of Agriculture;—HAVE considered the REPORTS of the BOARD OF AGRICULTURE, certifying the expediency of a PROVISIONAL ORDER for—

(1.) THE INCLOSURE OF THE OPEN FIELDS AND THE HEATH AND WASTES IN THE PARISH OF SUTTON IN THE COUNTY OF NORTHAMPTON,

and are of opinion that the same ought to be confirmed by Parliament without modification; and

(2.) THE REGULATION OF THE COMMON AND FOR THE INCLOSURE OF THE OPEN FIELDS RESPECTIVELY AT SKIPWITH IN THE EAST RIDING OF THE COUNTY OF YORK,

and are of opinion that the same ought to be confirmed by Parliament without modification; and that they had directed him to make a Report thereof, together with the Minutes of Evidence taken before them.

2 May 1901.

PROCEEDINGS OF THE COMMITTEE.

Thursday, 28th March 1901.

MEMBERS PRESENT :

Captain Bagot.
Mr. Heywood Johnstone.
Mr. Jeffreys.
Mr. Montagu.
Mr. William Jones.

Mr. Crombie.
Mr. Loyd.
Mr. Wingfield-Digby.
Mr. Frederick Wilson.

Mr. JEFFREYS was called to the Chair.

The Committee deliberated.

[Adjourned till Thursday 2nd May, at Half-past Eleven o'clock.

Thursday, 2nd May 1901.

MEMBERS PRESENT :

Mr. JEFFREYS in the Chair.

Mr. Jasper More.
Mr. Freeman Thomas.
Mr. Frederick Wilson.
Mr. Montagu.

Mr. William Jones.
Mr. Wingfield-Digby.
Captain Bagot.
Mr. Loyd.

Report of the Board of Agriculture certifying the expediency of a Provisional Order for the Inclosure of the Open Fields and the Heath and Wastes in the Parish of Sutton in the County of Northampton, read.

In support thereof Sir *Jacob Wilson*, Mr. *George P. Leach*, Mr. *John H. Moore*, Mr. *John Andrew Percival*, Rev. *William Hopkinson*, and Mr. *Charles Kent*, were examined. Mr. *George P. Leach* was further examined.

Motion made and Question, That the Provisional Order ought to be confirmed by Parliament without modification (*The Chairman*),—put, and *agreed to*.

Ordered, To Report.

Report of the Board of Agriculture certifying the expediency of a Provisional Order for the Regulation of the Common and for the Inclosure of the Open Fields respectively at Skipwith in the East Riding of the County of York.

In support thereof Sir *Jacob Wilson*, Mr. *Francis E. Walker*, Mr. *William Calvert*, and Mr. *Henry W. Badger*, were examined. Sir *Jacob Wilson* was further examined.

Motion made and Question, That the Provisional Order ought to be confirmed by Parliament without modification (*The Chairman*),—put, and *agreed to*.

Ordered, To Report.

MINUTES OF EVIDENCE.

LIST OF WITNESSES. ---

Thursday, 2nd May 1901.

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Mr. John Andrew Percival - - - - -	7
The Rev. William Hopkinson - - - - -	8
Mr. Charles Kent - - - - -	12
Mr. Francis Elliott Walker - - - - -	16, 20
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MINUTES OF EVIDENCE.

Thursday, 2nd May 1901.

MEMBERS PRESENT:

Captain Bagot.
Mr. Jeffreys.
Mr. William Jones.
Mr. A. K. Loyd.
Mr. Montagu.

Mr. R. J. More.
Mr. Freeman Thomas.
Mr. F. W. Wilson (Norfolk, Mid.)
Mr. Wingfield-Digby.

MR. JEFFREYS IN THE CHAIR.

COMMONS ACT, 1876.

(SUTTON, NORTHAMPTONSHIRE.)

Provisional Order for the Inclosure of the Open Fields, Heath, and Wastes at Sutton, in the County of Northampton.

Sir JACOB WILSON, Examined.

Chairman.

Chairman—continued.

1. You are, I believe, Director of the Land Division of the Board of Agriculture?—Yes.

2. Do you produce a map of the open fields and heath at Sutton?—I do (*handing in the same*).

3. Will you tell us something about the proposed scheme?—Yes. This is an inclosure case only. The plan I have handed in shows the heath, waste grounds, and open fields.

4. What is the part in question; is it that coloured red?—Both the red and the green. The red is open fields, representing 477 acres, and the green is heath and wastes, 133 acres; in all about 610 acres.

5. Does it all lie within the Parish of Sutton?—Yes. I may say that. One of the great objects and advantages of having this scheme is to carry through a new road here (*pointing to the plan*). The old road indicated thus stops here (*pointing to the plan*). It leads nowhere at present, except on to the heath itself, and it then begins again here (*pointing*). It is proposed to make a new road across there (*pointing to the plan*), which could be done through what at present is open heath, so as to give access from Southorpe right through, that is just about a mile long.

6. Then, is it proposed to divert the old road?—There is no road; it is merely a track across the heath, it terminates there (*pointing to the plan*). That will be spoken to more fully by the gentleman who inspected it on behalf of the Board, Mr. Pemberton Leach, and also by Mr. Hopkinson.

0.19.

7. I suppose you do not speak to the meetings which have been held, and as to the views of the parishioners?—No, Mr. Pemberton Leach will do that. Only the fact is recorded at the Board that such meetings were held, and so on. In addition to that I may mention that provision is made in the scheme for a small piece, which you will see in the corner here (*pointing to the map*), Nos. 66 and 67, for a recreation ground, and also for field gardens; that is No. 71 on the map. That is close unto the village; it is quite convenient in every way to the public.

8. I understand the scheme meets with the approval of your Board?—That is so.

9. The Board wishes you to express the opinion on its behalf that it agrees with the scheme?—That is so.

Mr. F. W. Wilson.

10. Is there already a track across the heath?—There is a track.

11. Over which a villager's donkey-cart could travel?—I am not prepared to say; you must ask Mr. Pemberton Leach, who has inspected the place; I have not had an opportunity of doing so.

Chairman.

12. Have you anything else you wish to say?—No. Mr. Pemberton Leach will speak to the history of the scheme.

A

2 May 1901.

Mr. GEORGE PEMBERTON LEACH, Examined.

Chairman.

13. I BELIEVE you are an Assistant Commissioner of the Board of Agriculture, and you have been down to this place and held the local inquiry?—Yes; I held two public local inquiries, one on the morning of one day and another in the evening of the day following.

14. What time in the evening? — Seven o'clock. And in the interval I inspected the common, and went round the common and the whole parish accompanied by Mr. Hopkinson and one or two persons interested in the neighbourhood.

15. Mr. Hopkinson is the chief owner, is he not?—Yes.

16. Will you tell us the result of those meetings; were there many people at the morning meeting?—It is a very small parish; the population is only 84. At the morning meeting there were 12 persons present, and at the evening meeting there were 17, but at the evening meeting there were several members of the parish councils of neighbouring places, and at the meetings there was no opposition of any sort manifested to the proposal.

17. Were the 17 persons chiefly occupiers of cottages and houses?—Several labourers in the parish were present, and those gentlemen who had come over from adjoining villages and Mr. Hopkinson and some of his people. Considering the size of the parish, with a population of 84, I think 17 was not a very bad meeting.

18. Of course there is no parish council?—There is no parish council.

19. This meeting represented the parish meeting?—Yes.

20. Did you explain what was to be done with regard to the inclosure?—I explained fully at each meeting what the proposal would be, and what the course of proceedings would be if the inclosure were sanctioned.

21. Did you explain about diverting this track across the heath?—That was a proposal which was brought forward by Mr. Hopkinson, who practically owns all the land in the parish, and he had intimated his intention of making this road. At present there is no road across the heath at all. I may say the heath is the only waste land here; all the rest of the land proposed to be dealt with is ordinary arable land.

22. Do you mean all this red part is arable land (*pointing to the plan*)?—All the red is arable land. The only waste land in the ordinary sense of the word is the heath here (*pointing to the plan*) and this small piece of about three acres here (*pointing to the plan*). Mr. Hopkinson's proposal was that if the inclosure were sanctioned he would at his own expense make a road across the heath, which would afford communication from the neighbouring villages of Wansford and Southorpe, and it would be also a benefit to people coming from Stamford.

23. Is that part of the scheme?—That is part of the scheme; that is provided for in the provisional order.

24. He proposed at his own expense to make this road across the heath?—Yes. Then, I may

Chairman—continued.

mention at the meeting a letter was produced which Lord Kesteven had written to Mr. Hopkinson.

25. Will you tell us who Lord Kesteven is with regard to this parish?—He is a neighbouring landowner. He wrote a letter to Mr. Hopkinson, saying he considered the road would be a very great advantage, and he wished him all success in his proposal. After my meeting was held the parish of Southorpe held their annual parish meeting, and passed the following resolution: "That this meeting, having under consideration the scheme propounded by Mr. Hopkinson before the Commissioner in regard to the proposed Sutton inclosure—that if the inclosure of the heath were sanctioned he would be prepared to make a metalled road connecting the Southorpe-road with the Peterborough and Wansford-road at Wansford-road Station, approves of such scheme and considers that it would be of great utility to the neighbourhood."

26. Where was that resolution passed?—That is a resolution passed at the parish meeting of Southorpe, one of the neighbouring villages. At the evening meeting which I held there were representatives from the different parish councils, who spoke strongly in favour of the proposal, and there was no opposition of any sort from anybody.

27. None whatever?—None whatever.

28. Did they ask you questions about what was proposed to be done?—Yes, there were a good many questions.

29. You are quite sure it was fully explained to them, and that they understood what was to be done?—Yes, I am quite sure.

30. Therefore at the end of your inquiry you were convinced that there was no opposition whatever to the scheme?—Yes.

31. Did they approve of it?—Yes; at these meetings my object is to elicit information; I never put any resolution to the meeting, but I can say that the feeling was very strongly expressed in favour of the proposal.

32. Did they approve of these two portions which are to be put aside for allotment gardens?—Yes.

33. Is that the part of the parish in which they would choose to have their allotments?—The piece for the recreation ground is a piece that has been given up by Mr. Hopkinson at the present time for a cricket ground; it is being used by them now.

34. That is a central part, is it?—It is close to the village. And those two pieces (*pointing to the map*) numbered 26 and 71 are also what I consider most suitable for allotment gardens, both as regards, so far as I could judge, the quality of the land, and as regards the convenience of situation. At the evening meeting I stated where the proposed public allotments would be set out, and inquired whether it was considered that these allotments would be most convenient as regards situation and general utility; and that was the general feeling; one of the labourers said, "Certainly, they would be very good."

35. Was that the unanimous opinion?—Yes.

36. Is

2 May 1901.]

MR. LEACH.

[Continued.]

Chairman—continued.

36. Is there anything else you wish to tell the Committee?—I think not. I think the Committee understand that as regards the great bulk of the land it is simply arable land.

37. All the pink part?—All the pink part; and that although it is nominally a common, yet there are a very few commoners.

38. Are there any rights that the commoners could be compensated for in any way. How do the commoners exercise any rights that they may have?—Practically they do not exercise them.

39. Did you find out what the rights were?—Yes. The rights are to turn out certain stock. I think each common-right was supposed to be a right to turn out 10 sheep, and two cows and a follower, that would be a calf, for instance.

40. Where do they turn them out?—All over the land, after the crops are taken off.

41. After the corn and crops are taken off?—Yes.

42. There is some meadow land, is there?—There is some meadow land. The meadow land is mown for two years and grazed for the third year, and the rights of the commoners, if they were exercised, would be exerciseable in the two years after the hay had been mown. As regards the rest of the land, the arable land, the rights of the commoners would only be exerciseable after the crops had been taken off, or when the land was lying fallow.

43. Then at present are there no fences round this land at all?—No.

44. It is open to the road?—Yes.

45. The proposal is to put fences alongside the road?—That would probably be done.

46. Is there anything else that you would like to tell the Committee?—I think not.

Mr. F. W. Wilson.

47. Is Sutton what is usually called a close parish?—I do not quite understand the term.

48. Does it belong to many owners or to one owner?—Practically Mr. Hopkinson is the sole owner of the land in the parish.

49. Is there any other owner?—The Overseers hold I believe about five acres, which are scattered about the open field lands, the situation of which is not known.

50. Mr. Hopkinson is also the lord of the manor and rector, is he not?—Yes.

51. Then you would hardly, I suppose, from your knowledge of agricultural life have expected a very violent expression of opinion in the parish meeting of this close parish, would you?—Sutton is within six miles of Peterborough and Stamford, and notices of the meetings were sent to the local authorities of both Peterborough and Stamford, and neither of them thought it worth while to attend the meeting or to make any representations.

52. Is Peterborough within the six-mile limit?—Yes.

53. Is there already a track across the heath from Sutton to Southorpe?—There is a track.

54. Such as a villager's donkey-cart could go over?—Yes, I suppose it could.

0.19.

Mr. F. W. Wilson—continued.

55. Is not Mr. Hopkinson a landowner and a farmer in the parish who farms his own land?—Yes.

56. A very admirable thing to do?—Yes.

57. So that he is owner, farmer, and lord of the manor?—Yes, I think he farms some land himself. That he will probably be able to tell you. He is here.

58. The cottagers are his tenants?—The cottagers are his tenants.

59. Is there any independent ownership of the cottages?—I think very few.

60. You cannot say with certainty. Were there not some years ago a great number of unenclosed commons round Peterborough?—There was another large extent of open field land at Castor and Ailesworth, which has been dealt with under the Inclosure Acts.

61. This is practically almost the last common round Peterborough. Is there any other?—I think there are more, but probably somebody with local knowledge will be able to inform you as to that.

62. When the Board of Agriculture gave its consent to the inclosure of Castor and Ailesworth I think there was a petition sent to the Board; do you know anything of that petition sent to the Board against the intended award?—I have not heard of any, I do not remember it. I held the local inquiries in that case, and the general feeling was certainly in favour of the inclosure and regulation. In that case, at the suggestion of the Board of Agriculture, application was made for inclosure and regulation.

63. Do you know when Castor was enclosed, whether the small commoners were at first awarded one rood two poles by the proposal of the Board of Agriculture, and that they petitioned the Board of Agriculture, pointing out that they had the right to pasture three cows and 10 sheep, and that they could not possibly keep one animal on the quantity of land allotted?—I have no knowledge of that; that would not come before me at all.

Chairman.

64. Do you know whether Ailesworth was enclosed?—Yes. I held the local inquiries there, and there was no feeling against the inclosure at all.

65. Was the common enclosed at Ailesworth or the fields; perhaps you do not remember?—The fields were enclosed, and I think the common was regulated, but I am speaking merely from recollection.

66. But it was not included in the Inclosure Act?—They would both be dealt with under the award.

Mr. F. W. Wilson.

67. Were the inhabitants first proposed to be awarded one rood two poles?—I cannot say.

68. And ultimately were they awarded 5 roods after a petition to the Board of Agriculture?—I cannot say.

Chairman.

69. I think we will ask Sir Jacob Wilson to come back and tell us about that presently. I gather it is not within your knowledge?—I think I may say that very often it has happened

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MR. LEACH.

[Continued.]

Chairman—continued.

in inclosure cases that commoners have imagined that their rights were very much larger than they really turned out to be.

70. I understand there is one of the officials from the Board who knows all about it and can give us exactly the details of that inclosure award?—He would probably be able to speak to that.

Mr. F. W. Wilson.

71. With regard to Southorpe. Is Southorpe a large or small parish?—It is a small parish, because it only has a parish meeting.

72. Then, there is not much communication, I suppose, between Sutton and Southorpe; I mean not much carriage communication?—I think the main advantage that was anticipated from the road was the communication that it would give to Southorpe and Wansford Road Station, which is the nearest railway station.

73. Is there a stone quarry at Sutton?—No, the stone quarry is in the adjoining parish.

74. But it is within a few hundred yards of the church, is it not; it is marked on the map "Sutton stone pits" near the railway?—Yes.

75. Would not the new road be a great advantage for the conveyance of that stone to building places like Stamford?—That was not particularly drawn to my notice at all.

Chairman.

76. Perhaps there are some local witnesses who can give us that evidence?—Yes.

Mr. Montagu.

77. Would not this road improve the communication between Peterborough and Stamford?—Undoubtedly it would. In fact, it was pointed out that anybody coming from the direction of Southorpe and going in the direction of Peterborough or Wansford Road would save a very considerable distance if a road were made directly across the heath.

Mr. F. W. Wilson.

78. Would this heath be in the direct line of road between Peterborough and Stamford?—More or less, I think.

Chairman.

79. Is there any other plan which you have of the surrounding country?—We have an Ordnance map. This is the one-inch Ordnance map (*handing in the same, and describing the position of the roads*).

80. I think we had better have a local witness who knows the locality to speak with regard to the roads—

Mr. R. J. More.

81. How are these applications generally put in motion; do they come from an intelligent landlord or from the people?—They must be made by persons representing one-third in value of the interests in the common.

82. Do you find that this Commons Act is generally known in these villages?—As a rule not very much is known about it.

83. Then, who generally sets it in motion; how do they get to know there is such an Act?—There is always somebody in the parish who knows what the powers are. But I may say that

Mr. R. J. More—continued.

the preamble to the Commons Act of 1876 state that the Commissioners, now the Board of Agriculture, are to take into account the benefit to the neighbourhood, and at my meetings I am always very careful to explain that the Board of Agriculture would have to bear in mind the benefit of the neighbourhood in any dealing with the common, and that I have come down expressly to hear what people have to say.

84. Who pays for the expense of the proceedings?—The persons interested.

85. Then, it is really the landlord who puts this Act into operation, I suppose?—Sometimes the landlord, and sometimes the commoners.

86. Do you mean to say that the commoners in any district are intelligent enough to know that there is such an Act as this?—Oh, yes.

Mr. William Jones.

87. Who do you think really will benefit by this? Who put the thing in operation here—was it the landlord—the Lord of the Manor?—The Lord of the Manor and owner of the land.

88. You had very few representatives of the people at the meeting—only 12 attended the meeting in the morning and 17 in the evening?—Before the honourable Member came in I explained that the population of the parish is only 84, and there were not only 12 persons present at the morning meeting and 17 at the evening meeting, but there were also representative men who were members of the parish or district councils in the neighbouring villages.

89. My object in asking the question is this: Of course the people there have certain rights over the common, and if the landlord simply exercises his right there will be suitable holdings there so that practically he will get most of the benefit. I want to know from your Inquiry what benefit did you find out the people here would get. You see you afford facilities for suitable holdings; those will increase the value of the land for the landlord, so that practically the landlord, according to your statement, gets the Inquiry started. He will get this land enclosed and he will have suitable holdings there, so that practically the whole of the value of this will be to the landlord according to your statement. I want to know about the common rights?—Practically there are no common rights. Common rights do not exist, except to a very small extent, and they are not used owing to the peculiar position of this parish, the land being nearly all in the hands of one person.

90. That I understand; but I know a good deal about common lands in the mountains of North Wales and elsewhere, and, of course, they are generally sold or have been given to the lord of the manor subject to certain common rights of pasturage, and turbary, and so on. I want to know why is this common at all; surely there must be some rights, or it would not be called a common?—Undoubtedly there are common rights, but those common rights are in the hands of very few people. The common rights are nearly all in the hands of Mr. Hopkinson himself, who is the owner of almost all the land in the parish. There are five acres of land which belong to the Overseers of the Poor, which would be entitled to.

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[Continued.]

Mr. William Jones—continued.

to common rights, and these have been let for the last 50 or 60 years to Mr. Hopkinson or his predecessors in title.

91. There must have been certain conveyances, I presume. I want to know what were the conditions of the conveyance to the Lord of the Manor of this common. If it is a common at all the right must have been conveyed subject to common rights, the same as in all commons. I want to know what the conveyance was so as to know exactly why you called a public meeting of these commoners unless they have certain common rights?—A public meeting is not called of the commoners, but of all persons living in the parish, and the notice of the meeting states that—"It is particularly requested that all persons living in the parish whether interested or not in the common will attend the meeting and state their views.

92. But still I want to know the conditions. If it is a common there must be some rights?—Yes.

93. And if the common has been taken altogether by the landlord, as you seem to say, generally speaking it is done subject to certain rights?—I think the honourable Member hardly understands the circumstances of this case. This is not a common in the ordinary sense of the word. It is open fields, with the exception of the heath it is all ordinary arable land. The only difference between the open field lands and ordinary arable land, which is absolutely private property, being that where the arable land in the case of these open common fields is in the hands of a large number of owners, each of them have their own particular land or strips of land scattered over the fields during the period while the crops are being grown and until the crops are taken off, and then when the crops are taken off all the owners are entitled to turn in any stock they please over the whole expanse of the open fields. Of course the evil of that (and it has been recognised to be an evil) diminishes according to the number of persons who own the land in the open fields. If all the land in the open fields is held by one man and he alone is entitled to exercise those rights of common the evil does not amount to very much. If there are 20 people who own the land in common fields then it does become more objectionable, because if the stock is going to be turned in all crops must be taken off by the day on which the fields are thrown open.

Chairman.

94. Did you discover how many commoners were residing in the parish and had rights in the parish?—It was originally supposed that five old cottages had rights of common attached to them—three of those had been pulled down or had fallen down before I held my Inquiry—the other two belonged to Mr. Hopkinson, and he let the cottage land and the right of common to the tenants of those cottages.

95. Then, with regard to this common, is it like it is in the New Forest, that the rights attach not to the occupiers but to the cottages;—rights of common vary a great deal?—They vary very much. The right would certainly attach to the land and not to the person.

Chairman—continued.

96. It would attach to the cottage?—Yes. But as a rule a common-right attaches to the land and not to the building, although there are cases where old commonable cottages do exist.

97. Certainly in the New Forest the rights attach to the cottages—they attach to the hearths and not to the persons?—Yes.

98. I gather from you that there were only three commoners besides the chief owner in the parish?—I think that is so. The only commoners, besides the principal landowner, are the overseers of the poor in respect of these five acres, and over part of the land the rectors or vicars of the two neighbouring parishes of Thornhaugh and Stibbington, who own each half an acre in the part of the land which is called "the meadow."

Mr. William Jones.

99. The overseers represent the poor?—Yes.

100. The overseers were not commoners in their own right, but they were simply commoners because they were representatives of the poor of the parish; that is a very important question, and I should very much like to see the conveyance here, because we are begging the question. If we could see the conveyance whereby Mr. Hopkinson got the whole of the rights of the commons we could see at once what we have not got?—There is no conveyance.

101. Then, practically, Mr. Hopkinson appropriated it?—No, I do not think the honourable Member is justified in saying that.

102. I am only asking the question?—I will explain, if you wish, with regard to these particular five acres. For a great many years, certainly since 1838, and, I believe, before 1838. Mr. Hopkinson and his predecessors in title held five acres. There was an old map or terrier which describes these five acres as situated in different places over the open fields. There was a tradition in the parish that some Marquis of Exeter in years gone by had given five acres of land to the parish. Mr. Hopkinson endeavoured to trace the history of this; he had searches made by a record agent at Somerset House. No trace of any bequest has been found. He went to the Charity Commissioners to inquire whether they could give him information upon the subject, or whether they could put him in the way of ascertaining where he could get information; and he has been utterly unable to obtain any trace as to how the five acres belonged to the parish. All he knows is that for a certain number of years he has paid rent to the overseers for this land which is situated somewhere, but where nobody knows.

103. But did it belong to the parish?—It belongs to the parish.

104. Did that terrier give you no idea of the conveyancing at all?—There was no conveyance.

Chairman.

105. The solicitor is here who will tell us about that, and we will ask him presently?—I do not think he will be able to tell you any more than I can, because I had to go into the matter very fully to make out really that this was a common at all. My impression when I first

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Mr. LEACH.

[Continued.]

Chairman—continued.

I first held the Inquiry was that it was not a common, and it was only by inquiries which I made at the meetings that I was able to elicit that there was these different ownerships that would make it a common.

Mr. R. J. More.

106. Would you object to my asking you what is generally the expenditure on these proceedings; what are the items of expense. Of course they vary according to circumstances, but if an application of this sort was made, what are the items of expense which the people have to pay for; do they pay the expenses of the officials of the Board of Agriculture, or not?—Yes. Before any application is entertained the Board of Agriculture requires the parties making the application to deposit a sum of 50*l*.

Chairman.

107. And to pay all the costs?—Yes, that is intended to meet the expenses of the Board in holding the inquiries, and so on.

Mr. R. J. More.

108. I suppose generally 50*l*. would represent the average cost of making an application of this sort?—Yes.

Chairman.

109. It may be more and it may be less?—That would not represent the expense of carrying out the inclosure, that is provided for afterwards; but the preliminary expenses are

Chairman—continued.

nearly always met (except in a very special case) by the deposit of 50*l*.

Mr. F. W. Wilson.

110. I think you said that the whole of this common and open fields was 600 acres, or about that?—About 600 acres.

111. How much is it proposed to reserve to the villagers in allotments out of that 600 acres?—Five acres for a recreation ground, and four acres for allotment gardens.

112. If you were a villager, do not you think you would prefer to take out your right in more land rather than in the proposed new road?—The general feeling of the neighbourhood was very much in favour of the new road. I may say (I do not know whether I mentioned it before) it was stated at the meeting that the cost of the new road would be about 800*l*.

113. You mentioned just now that there were certain old cottages, and three were pulled down: why were they pulled down?—I said they were pulled down or had fallen down.

114. Why were they allowed to fall down?—Probably they were out of repair.

115. You spoke of the predecessors in title of Mr. Hopkinson. Might I ask if one of them was a lawyer?—That I cannot say. I know that Mr. Hopkinson inherited from his uncle, beyond that I cannot go.

Chairman.] I should like Mr. Moore to explain to the Committee about what happened in regard to the commons at Castor and Ailesworth.

Mr. JOHN ROBERT MOORE, Examined.

Chairman.

116. You are a Chief Clerk in the Board of Agriculture?—Yes.

117. A member of the Committee asked some question about Ailesworth and Castor; can you just explain what happened in those cases?—A few years ago there was a proposal to inclose the whole of the waste lands and open fields in Castor and Ailsworth. Among the waste lands was a considerable tract called Ailsworth Heath. Some of the wastes were interspersed with open fields, and in order to make a good scheme of inclosure it was thought desirable they should be inclosed. But as regards Ailsworth Heath, which stands apart, the Board were not satisfied that a sufficient case was made out for its inclosure, and it was left out from the scheme, and, as I understand, at this day remains an open common available for recreation by the people of the neighbourhood.

118. It never has been enclosed then?—It never has been inclosed.

119. Have you sufficient recollection of the circumstances to say what rights the commoners had over the large area that was enclosed?—No, I cannot recollect that.

120. But apparently your Board thought they had a right over that particular common at Ailesworth which was not allowed to be en-

Chairman—continued.

closed?—Yes, there were common rights over it. certainly.

Mr. F. W. Wilson.

121. Can you say whether the valuer appointed first awarded to the Castor and Ailesworth commoners 1 rood 2 poles apiece, and then there was a petition to the Board by the inhabitants?—All that was gone into before the award was confirmed.

122. Was it first proposed to give 1 rood 2 poles?—I really cannot recollect what the proportion was for each common-right.

123. Was there a petition to the Board of Agriculture?—There were petitions to the Board.

124. The result was that the amount was largely increased, was it not?—I do not think so. As far as I recollect, the valuer's award, after full inquiries, was allowed to stand.

Mr. Loyd.

125. Is any of the land included in the Sutton scheme liable to floods?—I believe some of it is, but the local witness will tell you.

Chairman.] We will now ask Mr. Percival, who is a solicitor, to tell us how the title to this property runs.

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Mr. JOHN ANDREW PERCIVAL, Examined.

Chairman.

126. You are a solicitor at Peterborough?—Yes.

127. You know all about this land and the title connected with it?—Yes, generally.

128. You heard, perhaps, that a member of the Committee wished to know how the owners of this land acquired the right of common, and what other commoners there were; could you explain that?—Originally a great part of the parish belonged to the Dean and Chapter of Peterborough, it was church property, and it was leased to a gentleman named Hopkinson, the uncle of the Rev. William Hopkinson, the present owner; he was a lawyer at Stamford.

129. None the worse for that, I suppose?—None the worse for that. The question was asked whether one of his predecessors in title was a lawyer. I thought I might answer it at once. That was about two-thirds of the parish. The Dean and Chapter of Peterborough were then Lords of the Manor and the manor became vested in the Ecclesiastical Commissioners in I think 1852. The present Mr. Hopkinson, after his uncle's death, bought what I may roughly speak of as another third of the parish. But beyond those ownerships there were several cottages belonging to other people; about eight or nine, I think. I had in my office, and have seen a document showing the way in which the common-right owners were treated when the Sutton and Essendine Railway was made. There were eight or nine of them, and they made a claim, and were paid so much compensation. But since that time those cottages themselves have been bought by Mr. Hopkinson, or by his uncle.

130. When you say the cottages, you mean the cottages and the rights?—The cottages and the rights as part of them. I apprehend that the position at the present time is, that supposing Mr. Hopkinson sold one of those cottages and he did not expressly sever the rights from it the rights with the cottage would pass to the purchaser; that at present they are in abeyance because they are in the same hands, but unless he expressly severed the rights from the cottages when he sold them to somebody else those rights would immediately revive. He has recently purchased from the Ecclesiastical Commissioners the manor itself and all the rights of the Lords of the Manor in the wastes and so on. That is how he has become possessed of the manor. That is within the last three or four years.

131. Can you tell us now how many cottagers have rights over this land; that is to say, how many commoners there might be?—At the outside I should say there would be 10; I do not think there would be quite as many as that, but at the outside I should say 10.

132. Were you at the meetings which were held at Sutton?—Yes.

133. Were those commoners represented there or were they present?—There were no commoners to be represented.

134. They are merged in one gentleman?—The greater part of them are merged in one hand.

Chairman—continued.

135. Therefore the ordinary occupiers in the parish have no common rights whatever?—No, except that in one case where it is let with the house, and the occupier has rights over the common which he would have if he were a commoner; but only as tenant, and not as owner.

Mr. Wingfield-Digby.

136. Is Mr. Hopkinson the Lord of the Manor?—Mr. Hopkinson is the Lord of the Manor by purchase from the Ecclesiastical Commissioners, three or four years ago.

Mr. Loyd.

137. You are familiar, I presume, with the law about these rights; supposing the Lord of the Manor buys a tenement that has a right appurtenant to it, do you say that that does not extinguish the right over the common by its being in the same hands as the person who has the property over which the right exists?—I do not think it would myself. It is rather a difficult question.

138. I thought you would know all about what has happened in other cases?—I do not think it would.

Chairman.

139. With regard to the distances in making this new road, will it help the people of the parish to any considerable extent in getting to the other villages?—It will shorten the distance very much to Southorpe. I may add Southorpe is a hamlet in the Parish of Barnack, and Barnack itself is a large parish, and it will be a great convenience for all the district there.

140. But not so much for Sutton?—Not so much for Sutton itself. It would shorten the distance from Sutton to Stamford, and that way.

141. And Peterborough?—No, Sutton to Peterborough is on the direct road now (*pointing it out on the map*).

142. One of the members of the Committee was asking about these stone quarries; would it help to get to them in anyway?—I do not think there will be much traffic from that stone quarry towards Stamford.

143. Will the stone quarry be on the edge of the new road?—It is close to a road.

144. Not the new road?—No; it is close to an occupation road.

145. Is it building stone?—Yes, but it is not much used, I think.

Mr. F. W. Wilson.

146. But there is a road already leading from the stone quarry to the railway bridge, is there not?—Yes.

147. Then you could get on to the new road here (*pointing to the map*)?—Yes.

Mr. Thomas Freeman.

148. What sort of distance would the proposed new road be?—It comes in *here* and it follows *this* track, *this* dotted line (*tracing it*); that piece (*pointing to the map*) would be over a mile, I should think.

149. At

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Mr. PERCIVAL.

[Continued.]

Mr. Montagu.

149. At present how do they have to go from Sutton?—At present from Southorpe they would have to go back *here* (*pointing to the map*), and then along this road, and come round by Wansford *here* (*tracing it on the map*), or else they would have to come round by *here* (*pointing*), which is a very bad road.

150. What do you estimate the saving in distance would be in driving?—Quite three miles. I may point out that the connection with these railway stations would be a convenience.

Mr. F. W. Wilson.

151. Are there many villagers who would own a cart?—Not in Sutton itself; there are a good many in Wansford.

Captain Bagot.

152. Would you tell us who is going to pay for this new road?—Mr. Hopkinson.

Mr. William Jones.

153. What did you mean by the qualification which you gave in your reply just now, that the commoners' rights were merged in one hand "for the present"; would you explain that qualification?—I apprehend that the common rights, to a very great extent, belong to the different houses in the parish, and if Mr. Hopkinson sold these houses to anybody else he would sell the rights with them, unless he stipulated in the conveyance that they should not go.

The Rev. WILLIAM HOPKINSON, Examined.

Chairman.

154. WE understand you are the Lord of the Manor of Sutton?—Yes.

155. You are owner of most of the parish and you really promote this scheme?—I promote the scheme.

156. You have reserved some land for various purposes; have you reserved any for building a vicarage, for instance?—When I bought the glebe land there was a piece reserved which I did not buy, which is a piece of an old inclosure and therefore is not affected by this scheme at all. That was not sold to me, it was a piece reserved; because possibly some day or another a vicarage may be erected upon it. That piece of land, as I say, is an old inclosure, and it will not be affected by this scheme at all.

157. It will still be reserved for whatever purposes it was devoted to?—Yes.

158. How about the land belonging to the London and North Western and Great Northern Railway Companies; they are part owners in that parish, are they not?—They run through the parish.

159. They are not commoners, I suppose?—They are not commoners.

160. Then there appears to be some interest of the Marquis of Exeter in the wastes?—Lord Exeter claims a part of the heath land in the event of an inclosure, as Lord of the Manor of Landyke. I think it is in this way (but, of course, I speak not as a lawyer at all): when Castor and Ailesworth and Sutton were unenclosed parishes, when stock was found straying the Lord paramount had to find a sort of pound for that stock; the stock was taken to him and he had to provide them with food for a certain number of days.

161. He was the Lord of the Manor in those days, was he?—He was Lord of the Manor of Landyke, and this was a sort of small compensation to him for that liability.

162. Then his interest is rather an indefinite one now?—No, he would claim a certain portion of the heath (Mr. Percival could tell you the exact amount); I think it is about five acres.

163. Does Lord Exeter agree to this proposal with regard to the inclosure?—Yes, he agrees to it.

Chairman—continued.

164. Then, with regard to the five acres in the open fields which belonged to the churchwardens and overseers, can you tell us about that?—I put in the claim that it does belong to the churchwardens and overseers, but really and truly I do not think anybody knows in whom that portion of land is vested. When I made enquiries I found an old terrier in which those pieces of land were marked and it was signed by the late vicar of the parish: "This is the amount of town's land I could find out to the best of my ability." I went to the Charity Commissioners office and I asked them about it, and they showed me Lord Broughton's Report, in which it was said that there were certain pieces of land which it was thought were derived from the will of an Earl of Exeter, that is all the information they could give me. I asked what steps I had better take to trace the matter up, and they said I had better search the wills of the Earls of Exeter; it must be before the Marquisate was created. So I instructed a gentleman to search those wills, and there is no mention made in them of any charity or bequest of land whatever. Then I was informed that possibly a Marchioness of Exeter who was charitable in that way might have bequeathed that land, although there is no trace of her even having possessed it.

165. However you propose to give up these five acres for allotments whatever the right is?—Certainly, so far as I am able.

166. Therefore you give it up to allotments for the parish?—Certainly. My instructions to the valuer, in the event of this inclosure taking place (because I may say they are pieces of land situated in different parts of the fields), would certainly be to value it according to the best of the land in this particular portion of the fields.

267. Then, as regards this acre of land belonging to the Rectors of Thornhaugh and Stibbington what have you to say?—There is half an acre apiece belonging to them "in the meadow," which is marked *there* as liable to flood.

168. Are you going to recompense them or do they still retain that land?—I suppose the valuer would give them an allotment in lieu of that piece; I presume so.

169. Do

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The Rev. W. HOPKINSON.

[Continued.]

Chairman—continued.

169. Do they agree to the enclosure?—One of them certainly does—the other has not said.

170. He does not disapprove?—I do not think he quite approves.

171. Is he here to-day?—No, he is not here. There is no opposition at all of any sort.

172. Perhaps you can tell us something about the heath, as to whether it is resorted to by the villagers or the general public for recreation?—It is not. A gentleman has come here who remembers this place for a very very long time, and he says, and he told me this morning that the only time he can remember the heath being resorted to for recreation purposes was when the London and North-Western Railway was being made about 45 or 46 years ago, and then the navvies and plate-layers used to choose their champions and fight there for 10*l.* aside on a Sunday, I believe. That is 46 years ago, and since then he never heard of its being resorted to for recreation.

173. I ask about the heath because in a recent award in the case of Castor and Ailesworth, the Heath of Ailesworth was excluded from the award because it was used by the public?—Yes.

174. But in this instance the occupiers and the public do not use the heath?—No. There is one gentleman in the neighbourhood who has one or two steeplechasers, and I have given him leave to let his horses have a gallop there, now and then—that is by my permission.

175. But it is not used in any way by the occupiers here?—No.

176. With regard to these common rights, perhaps you could tell us something as to the rights over the common, and who has the pasturage of the meadowland?—I went yesterday to talk to old people in the village, because I wanted to clear this matter up, because I have been struck with the manner in which the small occupiers had vanished from the parish. There was a cottage carrying common rights belonging to a family of the name of Shaw. When I went to the parish (I may say I have been there about 20 years) I found that cottage empty; the common right and the land merged in the farm that I inherited by the death of the life tenant and the house uninhabitable. I asked questions about that family, and I was told that the family were dead, there was no one to take their place and their stock, their little belongings were sold, and no one wanted the holding. I got this information from an old woman in the parish who remembered the whole thing, and I verified it by asking the widow of the late clergyman. Then the next cottage belonged to a family of the name of Brown. Mrs. Brown died since I have been there; she bequeathed her property to her daughter Emma, who married another man of the name of Brown, Amos Brown, and he is the only existing cottager now.

177. Do you say he is the only existing commoner?—Yes.

178. Besides yourself?—Besides myself.

179. What rights has he got?—When I first looked into the matter he occupied a certain track of land in the north, in the middle and in the centre and in the south of the parish, four different bits, and in order to make his holding

0.19.

Chairman—continued.

far more tenable for himself I suggested to him would it not be better to take these four bits and consolidate them in one piece, and I put that piece in the very best part of the arable land. As regards his grass I altered the occupation of his grass as I conceived, and as he thought, very much to his benefit. He runs on the heath and the commons 10 sheep, two cows, and one follower, for which accommodation he pays me rent.

180. He pays you rent for running on the common?—It goes as part of his holding. The cottage is let with the run, and the Committee will thoroughly understand that the cottage let with the run of pasturage would be worth more. As a matter of fact his buildings, I think, have cost me 500*l.*, and yet he pays me 19*l.* for the whole holding, land and all.

181. You wish to tell the Committee that the rights of common attach to the cottage—to the hearth?—To the cottage; I do not know whether the Committee wish to hear this cottage matter cleared up.

182. Yes, I think so?—There was a family of the name of Bew, who were old cottagers there; I have never seen their house; it did tumble down, I believe, I never saw it. The father and mother died, leaving three sons. One I found out has got a good trade as a carpenter, I am told, somewhere in Lincolnshire; another is a shopkeeper, doing a good trade in Accrington, and another is a foreman in the Great Northern works at Peterborough. It was not any act of mine or my ancestors which wiped out those commoners; they simply died out because the men did not care to occupy the cottages. I could go further into it if the Committee wish.

183. I think if there are no commoners it is not any use pursuing the subject?—One ceased to exist last lady-day. He came to me, and said, "I want you to let me go; I shall be glad to go at once; the fact is, I am 74 years of age." He could not get a boy to live in the house to help him with his work, and he could not go on. He has left.

184. Is the existing commoner whom you mentioned, Amos Brown, here to day?—No.

185. Was he present at the meetings?—Yes.

186. Did he agree?—I talked to him myself yesterday, and he quite agreed.

187. He was present, and agreed at the meeting?—Yes, he was present at the meeting; he is an overseer of the parish.

188. Then with regard to the open fields, they are cultivated as farm lands, are they?—The open corn lands are cultivated as farm lands; they are not cultivated according to the law of Open Fields. What I want this inclosure for is to legalise the present system of cultivation. I submit to the Committee it is impossible with Open Fields to cultivate the land advantageously. The roads would not be fenced in, and the stock travelling along the roads get into the corn to the detriment of the corn, and to the detriment of the crops; and more than that if the land is cultivated as an open field there must be very considerable diminution in the labour employed.

189. It would be almost impossible to drive a flock of sheep or cattle along there, I suppose, without.

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The Rev. W. HOPKINSON.

[Continued.]

Chairman—continued.

without detriment to the crops?—As a matter of fact I have put some posts and rails up, but I suppose that was not a strictly legal thing to do, though it is very much to the benefit of those travelling along the road.

190. Now, can you tell us something about the new road which you propose to make across the heath?—Yes, the new road will be, I suppose, a mile in length, there or thereabouts. There is a metalled road coming, as the Committee will see, from Southorpe (*pointing to the plan*), fenced in on both sides, and I propose to continue that road and fence it on both sides at my own expense.

191. To make the road and fence it?—Yes.

192. That would mean a considerable cost, would it?—One gentleman got out an estimate for me, and according to his estimate it was between 800*l.* and 900*l.*

193. Will that be any benefit to you as the owner or occupier?—It will benefit me so far as being able to put stock on to the heath and retain them there. At the present moment there is a gate here and a gate there (*pointing to the plan*), and people come through the gates, and the gates are very likely left open, and the stock strays. There is a gate at the beginning of the track, my gate here and a gate there (*pointing to the plan*).

194. You want to continue this road through here (*pointing to the plan*) and fence it each side?—Yes.

195. Are you going to dedicate the road to the public?—Yes.

196. You would undertake to do that?—Certainly, I would. I do not disguise from the Committee that I think it would be an improvement to my own property, but I also think it would be a very great public improvement. There was one gentleman who was given to understand that my object in inclosing this heath was to stop all the roads, and of course, he felt and thought it was a very wrong thing to do. But when he heard the reverse he came to me (he lives at Southorpe, and I heard he was going to oppose), and said "I am very glad to meet you, and I have to thank you for contemplating a very great improvement," those were his words.

197. You think it would be a great public improvement to the neighbourhood?—I think so, certainly. An active man of business at Wansford in conversation about this put quite a new light as to this road to me. He said it would be a capital thing; he goes about a good deal on his bicycle on his business, and he said "It would be an excellent thing because it would open up the country to us on our bicycles"; that was his view of the matter.

198. You have told us it is approved of, but have you heard of any opposition to the scheme?—There has been no opposition. Of course, one has heard rumours, but there has been no public opposition. It has been before the two municipal bodies of Peterborough and Stamford—they are within the six miles radius—not that the heath is within six miles of Peterborough, but a point of the parish is within six miles of Peterborough; therefore it was put before them,

Chairman—continued.

and inquiries have been made and I have heard of no opposition.

199. There is no opposition either from the parish itself or within a radius of six miles round?—I have not heard of any. Of course, one has heard rumours of how one person said this and how one person said that.

Mr. Winfrey.] I am here to oppose on the part of some of the citizens of Peterborough; I am a member of the town council.

Chairman.] Then, of course, Mr. Hopkinson had not heard of that.

Witness.] This is the first I have heard of it.

Mr. Winfrey.] I mentioned it this morning.

Chairman.

200. (To the Witness.) Are there any other points which you wish to bring forward beyond what I have asked you?—No, I think not.

Mr. F. W. Wilson.

201. I think you have been already kind enough to grant the inhabitants of the village a recreation ground?—If they like to go and play there, there is a field where I tell them they can play cricket and football.

202. That is with your permission?—Yes.

203. By no right whatever?—No.

204. We may assume you are a very popular man in the parish, and that no one would like to go against you. I wanted to ask you, with regard to Castor and Ailesworth, where large areas were inclosed?—Yes.

205. And they are now decorated, I believe, with wire, barbed or otherwise; do you regard that as a public improvement?—I lament the wire. I have not the slightest intention of inclosing this land with wire.

206. You do not propose to wire the roadside of the heath?—No. Wire fences are put up by the Ecclesiastical Commissioners on their property.

207. With regard to the stone quarry, who works the stone quarry?—The stone quarry is not worked at the present moment; it is my own property. That stone quarry is in the old inclosure and not in the part affected by this scheme.

Mr. Loyd.

208. Do you grow any roots on this 477 acres of open field?—Yes.

209. Could you do that if it was farmed strictly upon the Open Field system?—That is one of the great drawbacks. The stock there is very apt to stray and consume the roots; that was so at Castor and Ailesworth.

210. Part of the land is subject to floods, I understand?—Yes.

211. Which part is that?—That is the meadow land by the River Nene. May I say that this land that is always liable to flood is now mown every year.

Chairman.

212. Is it water meadow?—It is water meadow, and if it were enclosed of course I would be able to let the land in small holdings, which is what I want to do. I do not see how one could let

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[Continued.]

Chairman—continued.

let it in small holdings in its present state—you would not be able to divide this off and mow part and graze part—at present it must all be mown.

Mr. Loyd.

213. Looking at the land from that point of view, namely, of having the open fields carried on upon the inclosure principle, and this land, which is liable to floods, placed under your control for the purpose of letting in small holdings, would that increase or decrease the chances of occupation and employment in the neighbourhood to the people round about. Can you find more employment for labour by having it under the inclosure system or as it is?—I am sure there is more employment under the inclosure system than there is under the uninclosed system.

214. As regards this road which you propose to construct at your own expense, I suppose, if you dedicate it to the public, you will have to construct it originally to the satisfaction of the highway authority?—Yes.

215. Then they will take it over?—I suppose they will take it over; I suppose that would be the course of procedure.

216. They need not take it over unless you do it to their satisfaction in the first instance?—I suppose the Inclosure Commissioners would make a specification of how the road was to be composed, and I would have to make it to their specification.

217. But as guardians of the public interest, the highway authority, before allowing you to dedicate it, will require it to be made to their satisfaction?—Yes, to be a suitable road.

Mr. William Jones.

218. From an antiquarian point of view would you tell me how much of the old Roman road, Ermin-street, remains in that parish?—Ermin-street would come here (*pointing to the map*). That is now inclosed and preserved as Ermin-street under the Ailesworth Inclosure Act. Then it comes up here (*pointing to the map*). It bounds my parish there (*pointing to the map*); that is now a lane fenced on both sides.

219. Is it pretty well preserved, the road and the banks?—Yes. This is not so well preserved here as it is down here (*pointing to the map*); but that is now fenced in as a lane.

220. Could you tell me why, in your opinion, these small occupiers have vanished to the deplorable extent you indicated just now?—When I went there I only found two in existence, and the old man I mentioned who gave up last year told me it was because he could not get a boy as he formerly did to live in his house to help him with his work. He gave up, and although he had never done a day's work for me in his life I pensioned him off. The fact of the matter is that it really comes back to the question of small holdings; I could tell the Committee what I have done for small holdings in other places, being a firm believer in them, but I will not trouble the Committee with that.

221. I gather that you made an application to the Board as representing one-third of the interests in the commons. The words in the second paragraph of the Provisional Order are:
0.19.

Mr William Jones—continued.

"And whereas it has been made to appear to the said Board that the persons making the said application represent at least one-third in value of such interests in the said commons." Who represents the other two-thirds?—May I look at the Order. (*After referring to the Order.*) It says, "at least one-third," but I suppose it means more than one-third.

222. So that that is a purely formal recital?—I think it must be quite formal.

Chairman.

223. That is to give you a *locus standi*, is it not?—I suppose so.

224. It is always done, I think?—If there is any impression upon the minds of the Committee that my object here is to do away with small holdings, I think I can remove that impression. Before Castor and Ailesworth were inclosed there were a number of Castor men told me they could not, before it was inclosed, get garden ground; and I did an exceedingly illegal thing, no doubt; I took part of the open field in Sutton and let it to them as garden ground, putting myself to great expense, because I wanted them to have garden ground.

Mr. F. W. Wilson.

225. Do you know how much land was reserved to the villagers at Castor and Ailesworth?—The population of the two villages together would be 900 or 1,000 people, I suppose, but I do not know how much it would come to.

Chairman.

226. Following what you said just now, is one object of this inclosure to cut up the land into small pieces?—I do not want to farm the land; I want to let it in tenantable farms. It seems to me that farmers farming small farms can get on.

227. It could not be split up without being fenced?—You cannot deal with it as it is, and the object is to deal with it.

Mr. Montagu.

228. Is this road leading from Southorpe to the end of Sutton Heath here (*pointing to the plan*) a metalled road and well kept up?—It is kept up, more or less. I was astonished to hear of the resolution passed by Southorpe in favour of this scheme. I was given to understand that Southorpe did not quite like it because they were afraid when this road was made the traffic would increase so much that they would have to spend more money on their road, which I confess seemed to be an argument in favour of this road being wanted; I only heard that as a rumour in the air as one has heard others.

229. Will the county council take over this road after you have handed it over to them or the district council?—I do not know if they would; I should ask them to take it over.

230. Would it be a main road?—It would be a parish road.

Mr. William Jones.

231. It would be a matter for the district council, and if the district council chose to give it over to the county council that would be another

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[Continued.]

Mr. William Jones—continued.

another thing?—I should think the district council would take it over; it would only be a parish road.

Chairman.

232. At any rate, you hand it over to the public so far as you can?—Yes, that is the effect of it.

Mr. CHARLES KENT, called in; and Examined.

Chairman.

233. You live at Stibbington, Hunts, and you are a farmer and butcher in the neighbourhood?—Yes.

234. Do you know Sutton and this locality well?—Yes, I have resided there all my lifetime.

235. And that is a considerable time, of course, some 60 years?—Seventy.

236. With regard to this heath-land—you know the part I refer to?—Yes.

237. Is that used in anyway by the public?—I have never known it to be used for any kind of recreation; I have passed that way every week for many years, and I have never seen any of the public there for any recreation purpose whatever.

238. Do you think it would be more for the benefit of the public to have it inclosed and a good road made across it?—Most decidedly; we are all in favour of it. It would be a great advantage to the neighbourhood altogether. It will enable us to get straight to several villages by a road some three miles nearer, and it will be a much better road for us.

239. What villages are you referring to?—Southorpe, Barnack, Helpston, Uffington, and several more—it would enable us to get by a very much nearer road.

240. Otherwise you would have to go round by Stamford?—Yes, by Stamford way; it is a very rough way, and to get to Barnack it is a bye-road, very different from the main roads.

241. Do you think yourself, irrespective of your own trade, it would be for the benefit of the villagers in Sutton?—I am sure it would. I have lived to see some old cottagers there all die and their families have not taken the cottages on when the parents have died, because they have migrated away into towns, and they have got good wages there which has paid them much better than holding the cottages.

242. It is almost impossible to farm the land in this uninclosed condition?—It cannot be done well.

243. There are no fences at all?—There are no fences at all; it is a very difficult job. I have seen many a turmoil through it.

244. You have heard of no opposition to this scheme?—Not the least; we are in favour of it.

245. That is your decided opinion?—Yes, I am sure it will be a great improvement.

Mr. F. W. Wilson.

246. When you say you are all in favour of it, does that mean all who drive carts or all the people generally?—All the people generally—farmers, tradesmen, and so on.

247. Do you think it will benefit the poor agricultural labourers and villagers of Sutton?—I am sure it would.

Mr. F. W. Wilson—continued.

248. In what way would it benefit the villagers of Sutton?—If they wished to get to these other villages it would be very much nearer for them; it would be four miles nearer for them than going right round by Stamford way.

249. But they can go across the heath now; is there not a track?—Yes, but it is a boggy road.

250. Is not the heath dry?—They cannot get over there with a bicycle and so on very well, and if they wished to drive they cannot do it.

251. I want to ask you with regard to the meadow-land lying near, which is said to be liable to flooding?—Yes, it is.

252. Is that good land?—Yes, pretty good land; it is grazing land.

253. Fine grazing land?—Yes, but it is very subject to being flooded; it has been flooded very lately.

Mr. William Jones.

254. Will you just answer me one or two questions. Although you never knew this land used as a recreation ground, what was your feeling as an old parishioner about the ownership of this land; you are an old parishioner?—I am an old parishioner in that neighbourhood.

255. What was your general opinion about the ownership of this land, as man and boy?—That it would be very much to the advantage of the parish to carry out what Mr. Hopkinson suggests.

256. I do not mean as to what ought to be done, but what was your feeling as to the ownership of it?—There used to be cottagers, but they have all died out and gone, and nobody has taken on the little holdings, therefore it has merged into one ownership only.

257. What do you think those cottagers thought about this land?—That it was a little advantage for grazing cattle, but not much.

258. What was the tradition and general feeling in the parish; you have been there for many, many years—you have known old parishioners who used to talk about it, and who used to send their cattle to graze there, and if they had a donkey they would send it there?—Yes.

259. As an old parishioner can you say what was the feeling of those old cottagers about this land generally. Did they think it belonged to the parish and that they had anything to do with it, or did they simply behave in an indifferent way about it?—The feeling has grown indifferent because the parents died and the families did not take it up, but went out to find occupation elsewhere, and they got far more money in wages than occupying these small cottages.

260. Yes, I understand that, but supposing any

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Mr. KENT.

[Continued.]

Mr. William Jones—continued.

any stranger came one day and took away part of the land, what would your feeling and the feeling of all these people in the district be; would you not consider you had something to say to that?—I should question whether a man could stay there long under the present state of agriculture. It would be unprofitable work in the state of things now, as I know from experience.

261. You are only dealing with it as regards the question of profit, but what do you say as to the question of right. You as a parishioner with all these people have common traditions. If you live in the parish and if there is common land, surely you have some feeling or some opinion about it?—I might form an opinion about it.

262. I do not say it was spoken about by everybody, but was not there a common feeling with regard to this land?—The feeling now is that people are convinced that it would be very much better to carry out what is now suggested than to retain the common rights. It is the general opinion that it would be far better to carry out what is proposed to be done than to retain these rights.

263. What was there to prevent some of these people who left to go to the towns from getting some of this land, say for a small garden or allotment or something of that sort?—The people have left—the old cottage people are dead and the families preferred going out into the towns.

264. I quite understand that, but what I want to know is this—I thought you as an old parishioner could tell me as you have often talked to the parishioners about how the land had been enclosed, what was the feeling of the people with regard to this land—would they not have liked to have some of it for their own use?—They would if they had got cattle for it, but of course as I said before they can find better employment and get more money at other places than they can by retaining these cottages.

265. So that it comes to this—they did feel that they had something to say with regard to this land, but they had not got the means of getting cattle to use it?—As I said before they found it more to their benefit to go into other employment than to continue these little holdings.

Chairman.] Are there any more witnesses with regard to this scheme?

Sir Jacob Wilson.] That concludes the case for the promoters.

Chairman.] Are there any notices which have been given of opposition of any kind?

Mr. Winfrey.] I do not know that I am right in using the word "opposition," exactly, but I appear here as a member of the Town Council and County Council of Peterborough to tender some evidence, somewhat against the inclosure of this land.

Chairman.] Do you represent the county council?

Mr. Winfrey.] I cannot say I represent them. I should like to explain that I raised this question in the town council and we were informed by the town clerk at that time that we had no

locus standi because it was beyond our jurisdiction. He said he would enquire into the matter and, if we had a *locus standi*, he would have it put upon the agenda paper again; he omitted to do so, and, therefore, we were not represented at the Inquiry as I think we should have been.

Chairman.

266. Of course, we are completely bound by the Rules of Procedure as laid down by Committees, that before the consideration of any Provisional Order for the regulation or inclosure of a common, the Committee will require the Inclosure Commissioners to publish, in the locality of the common proposed to be dealt with, notices of the day fixed by the Committee for the consideration of the case. You know that, perhaps?—Yes.

267. And requiring that all persons in the neighbourhood, whether directly interested or not, who may desire to object to the proposed inclosure, may before a certain day communicate with the Committee clerk their names and addresses, with a short statement of their grounds of objection, and to state whether they want to appear before the Committee or not; so that if you or your council did not send in those notices to our Committee clerk I am afraid you have got no *locus stundi*—

Mr. Winfrey.] I am in your hands, sir.

Chairman.] It is very unfortunate.

Mr. Winfrey.] I thought that this Committee would like to hear our views, and I was going to say something on behalf of the people of Peterborough, who are not desirous of losing the rights they have of walking over this heath.

Chairman.] But you do not come here as a parishioner yourself?

Mr. Winfrey.] A parishioner of what?

Chairman.] You are not a parishioner of Sutton?

Mr. Winfrey.] No.

Chairman.] It is very unfortunate that your council did not give notices to our Committee clerk, because you, of course, or anybody appointed by your council, might have come and stated your case.

Mr. Winfrey.] I quite agree, sir, it was very unfortunate; it has shut out a great volume of opinion which I am sure there is in Peterborough against extinguishing the rights of the inhabitants of Peterborough of coming out and walking over the heath.

Mr. Hopkinson.] May I say a word in regard to that, sir?

Chairman.] No, Mr. Hopkinson. I think we need not hear you, because as Chairman of the Committee I must be bound by the orders of the House; the order is plain enough as to what is necessary to give a *locus standi*. Perhaps I ought to ask this question of Sir Jacob Wilson. The order says that before the consideration of any Provisional Order for the regulation and inclosure of a common, the Committee will require the Inclosure Commissioners to publish in the locality of the common proposed to be dealt with notices of the day fixed by the Committee

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Mr. KENT.

[Continued.]

mittee for the consideration of the case. Has that been done in this case?

Sir Jacob Wilson.] That has been done, and I understand a copy of the notice has been put in.

Chairman.] Yes; I see I have the advertisement here. I see the date on which they should give their notices is fixed, and the name of our Committee clerk is put in here. It states: "They further give notice that any person in the neighbourhood, whether directly interested or not, who may desire to object to the proposed inclosure may on or before the 23rd day of April communicate with F. G. Tupper, Esq., at the Committee Office, House of Commons, his name and address and description, with a short statement of the grounds of his objection." (To Mr. Winfrey.) I am very sorry you should have had the trouble of coming here, because if you had given this notice by the 23rd of April you could have been heard, but by the Rules of Committee it is quite impossible that we can hear you, I am afraid.

Mr. Loyd.] Did you send any communication to the Board of Agriculture about it at all?

Mr. Winfrey.] No.

Mr. Loyd.] Do I understand that you brought this matter before your council?

Mr. Winfrey.] I brought the matter before the town council, and the town clerk said he would see whether we had a *locus standi*, and if so, he would put it on the agenda paper, but it did not appear on the agenda paper.

Mr. Loyd.] How far is this place from Peterborough?

Mr. Winfrey.] We are told the whole inclosure is within six miles, and therefore that does give us citizens of Peterborough a *locus standi*. I rather hoped the Committee would invite me to give some evidence to-day.

Chairman.] It is not a question of the feeling of this Committee or of their readiness to hear the evidence, but we are entirely bound by the Rules, therefore if there is no other evidence for the Promoters we must conclude.

Mr. GEORGE PEMBERTON LEACH, recalled.

Chairman.

268. WHY was the amount of four acres decided upon?—The Committee will notice the population of the parish is only 84. It is stated in the report that the number of cottages is 15, and that they already have gardens varying in size from 20 perches to about 50, which is over a quarter of an acre. I ascertained from my inquiries in the place that there is no reasonable prospect of any increase in the population of the parish, and that the present gardens are very fair, varying from an eighth of an acre to over a quarter of an acre. But in order to provide absolutely sufficient garden accommodation four acres more are to be set out—I should think in all probability those four acres will not be used at present—they may or may not be; but desiring to satisfy in every way the possible requirements of the neighbourhood, I thought it advisable that those four acres should be set out. If I might do so I would suggest to the Com-

Mr. William Jones (to Mr. Winfrey.) I am very sorry you did not get this evidence, but I understand the matter was not brought before your town council at all?

Mr. Winfrey.] No, it was not.

The Committee Room was cleared.

After a short time the parties were again called in.

Chairman (to Mr. Hopkinson.) The only question which the Committee wish to have a little more evidence upon is as to the size of the allotments. They think that compared with the amount of land that is proposed to be inclosed the amount of allotment land is rather small, and they would wish to ask you whether, in the first place, you could give a little more land for allotments, and whether it would not be of service to your parishioners and villagers to have more allotment land.

Mr. Hopkinson.] So far as that goes I am perfectly willing to assent to any reasonable proposal the Committee may suggest with regard to the allotments. I may say I have taken a great deal of trouble to give really good gardens round good cottages—they have them already. But if the Committee really think there should be more allotments of land certainly I have not the slightest objection.

Chairman.] I do not know whether you would like us to ask anybody else as to this point, but we thought four acres seemed rather small for the size of the parish—I mean not the number of the population but the acreage.

Mr. Hopkinson.] I suggested four acres because of the number of the population, and the labourers that there would be to cultivate the land. But should we say six acres?

Chairman.] Could you make it six acres?

Mr. Hopkinson.] I could make it six.

Sir Jacob Wilson.] Might I ask that Mr. Leach should be called again upon this point; he would give you the reason for fixing it at four acres.

Chairman.] Certainly.

Chairman—continued.

mittee that the garden allotments are really amply sufficient in view of any reasonable probability of increase for the requirements of the neighbourhood.

Mr. Loyd.

269. Is that a point to which the Board of Agriculture give particular attention?—That is a point to which the Board of Agriculture, and I may say personally I always, give very particular attention. I am a great believer in the advantages of field gardens, and I am always desirous in any case I have personally to deal with that the fullest possible allotments should be made for that purpose.

Mr. F. W. Wilson.

270. I must ask you now whether the original decision of the Board of Agriculture in respect of Castor and Ailesworth was overruled?—That I cannot say about, I have no knowledge of it.

271. It.

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Mr. LEACH.

[Continued.]

Mr. F. W. Wilson—continued.

271. It is a great pity you do not come with a knowledge of it?—May I explain. I am not permanently connected with the Board of Agriculture. I have only got up this particular case. My duties with the Board are to go and hold public inquiries for them and to report upon those inquiries. What occurs in the office I do not know.

272. Have the Board of Agriculture any objection to the allotments being increased if the Lord of the Manor is willing?—No, certainly not. The only question is whether it would be worth while if the Committee considered in other respects the inclosure was desirable that the matter should be delayed in order that further allotments should be set out. But if the Committee considered that it was desirable that further allotments should be made, I have no doubt Mr. Hopkinson could give an undertaking that it should be an instruction to the valuer who would carry out the inclosure proceedings that further allotments should be made.

Chairman.

273. In what way would it delay the scheme if we altered the number of acres for the allotments?—Because if any variation is made in a Provisional Order it must be re-executed. In some cases it would be a very material matter and might throw the matter over for a whole year. In this case I do not think it would.

Mr. William Jones.

274. I understand you practically fixed upon the four acres in view of the number of the cottages?—Yes.

275. But of course people do marry in Sutton, and if you had a road across the common you may have many working-men, who, instead of going away to the towns would cycle possibly across the common to Peterborough or elsewhere, and prefer to live in Sutton where there would be some inducement for them to remain with a little allotment?—Yes, that would be that in addition to the present garden accommodation, there would be a quarter of an acre extra land for every cottager in the place at the present time; and assuming that the number of cottagers were doubled there would be, say, an eighth of an acre.

Chairman.

276. There would be no great difficulty, I suppose, in managing it; Mr. Hopkinson seems to be disposed to add two acres?—Yes, if that were so, if the Committee expressed any intimation to the Board of Agriculture, I have no doubt they would see the matter was carried out in the subsequent proceedings.

Chairman (to Mr. Hopkinson).] You have heard the questions we have been asking?

Mr. Hopkinson.] Yes.

Chairman.] We do not want to delay this Provisional Order. The Committee would be willing to pass the Provisional Order if you would undertake yourself (as you have undertaken to make this road and pay the expenses, and so on) to allow two more acres of allotment ground to the villagers.

Mr. Hopkinson.] Yes, I will do so with pleasure. May I add one thing. When I was asked whether the heath had been used for recreation purposes, I forgot to state that in the 20 years I have been there I think on two occasions a natural history society has asked my leave to go and botanize about the heath. I do not know whether you would call that using it for public recreation purposes—that is another matter.

Chairman.] Then I propose the Provisional Order be confirmed by Parliament without modification on that agreement, you undertaking to give an additional two acres for allotment ground.

Mr. Hopkinson.] Certainly.

Chairman.] But you do not want to delay the Provisional Order.

Sir Jacob Wilson.] May I say, speaking for the Board of Agriculture, they will carry out your wishes with regard to the Order, only they thought the offer for allotment land was ample.

Chairman.] Then with that undertaking to give the additional two acres the Committee confirm the Provisional Order without modification.

SKIPWITH PROVISIONAL ORDER

(For the Regulation of the Common and for the Inclosure of the Open Fields.)

Sir JACOB WILSON, Examined.

Chairman.

277. You are Director of the Land Division of the Board of Agriculture?—Yes. This is a combined scheme, including the regulation of one portion and the enclosure of another, the regulation of the common in green and the enclosure of the open fields in red, as shown on these maps (*putting the same before the Committee*).

278. These do not join on?—I do not think necessarily so. The common portion represented by the green, which it is sought to regulate, consists of 826 acres. It is in three portions, but two are very small. The other portion in

red is in eight separate lots, representing 321 acres, and is all arable. I will confine myself to the green for the moment. It is intended to put that under the control of five conservators, as you will see in the report, to regulate the proceedings of the whole common, and it is proposed to give what is known as "Little Common," which is about five and a half acres, I think, for a recreation ground for cricket and that sort of thing absolutely. That will be definitely arranged for, although it is in the power of the Conservators to permit games of cricket elsewhere. With regard to the red portion

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Sir J. WILSON.

[Continued.]

Chairman—continued.

portion, that is in a most chaotic condition, because although in nine separate lots it is cut up into long strips; there is one case alone of a man occupying 90 acres, and there are 102 strips in it; so that the cultivation can only be done in one direction. Then it is intended to give three acres in one of the open fields near Mill Roads, which you will see on the red map. I may further state that there has been no opposition to the scheme. Lord Wenlock is the Lord of the Manor, and I will ask you to call Mr. Walker, Lord Wenlock's agent, who will explain more fully. I think the Board are placed at some disadvantage in this case, because Mr. Russell, the official who held the inquiry, is now appointed to a high legal position, and he is not at the disposal of the Board.

Mr. FRANCIS ELLIOTT WALKER, Examined.

Chairman.

284. You are Lord Wenlock's agent?—Yes.

285. Did you hear the inquiry which was held by Mr. Russell?—I was present at the inquiry.

286. You were present there as agent to Lord Wenlock?—Representing Lord Wenlock.

287. Who is Lord of the Manor?—Yes.

288. Can you tell us something about this proposal?—With regard to the common itself there is a unanimous feeling about the open field land.

289. That is the red?—The part marked red on the map.

290. The 321 acres?—Yes. There is a unanimous feeling with regard to that being enclosed on account of the possibility of improved cultivation, and it was thought better when the Order was asked for the open fields land to also include the regulation of the common. As it exists at present there is a great deal that wants regulating and attending to.

291. The regulation will be over the green?—Over the green. Shall I take the green first?

292. Whichever you like; you began with the red?—The red or open field land started the application. It is impossible to work the land as at present to advantage.

293. It is all unenclosed?—It is enclosed in fields, but is in numerous little strips cultivated by different occupiers, and in some cases there are different owners, and who are unanimous in wishing it enclosed.

294. Does one occupier have to go across the land of another occupier to get to his land?—Along the headlands; there are different headlands. You cannot deal with the land in a satisfactory manner. Some of the land is very wet, and it belongs to different owners; you cannot always get them to join up in draining that land. There are no roads to this land at all.

295. You were present at the inquiry held by Mr. Russell; can you tell us something about the numbers of the people there, what time it was held, and so on?—There was one meeting in the morning, and another in the evening. On the morning of the 10th January there were about 20 people present and in the evening there were not quite so many, about 15 or 16, I think. The whole thing was gone into, and, I think, the expression of opinion was unanimous about the open fields land.

Chairman—continued.

279. He has been made a county court judge?—Yes. Therefore I will ask you kindly to allow Mr. Walker to come to the table.

280. Before you go, can you say on behalf of the Board of Agriculture that they approve of the scheme?—They are quite satisfied with it, and think it is a very desirable thing to do.

281. Mr. Russell held the inquiry?—Mr. Russell held the inquiry, upon the result of which the Board's Report is based.

282. When did Mr. Russell hold it?—It was held on the 10th and 11th January 1900.

283. Then, based upon that, your Board approves of the scheme which is now proposed?—That is so.

Chairman—continued.

296. The benefit it would confer upon the parishioners?—Yes. The same question crops up here; occupiers have a right to turn out stock in the autumn, so that if seeds or roots are grown roots are at a great disadvantage, and the seeds are ruined. The land has all to be cultivated one way, there are little strips between each little holding which are a source of weeds and bad cultivation, and altogether the thing cannot be farmed to advantage. It would increase the yield very materially if split up into fair sized fields, and put in the occupation of the present holders.

297. How many commoners have this right at the present time?—Eight or nine, including the Overseers of the Poor, who have 1 rood 15 perches.

298. Who are the other people?—Lord Wenlock owns 278 acres, and Mr. Ward, who is a farmer at Skipwith, owns 15, Mr. Eccles 11, Mr. Rooke very nearly 4 acres, and Mrs. Kirk, or rather it is practically the representatives of the late Mr. Kirk, 2 acres 1 rood 19 perches, and Mr. George Kitson 1 acre 2 roods 30 perches.

299. Do these different commoners agree to the enclosure?—Yes, two or three of them signed the application for the open fields land.

300. What do they get by it?—They get the improvement in value; they are able to farm their land better; it becomes more valuable.

301. Then the land is enclosed and apportioned in the proportions you have just stated?—Yes, according to what they are entitled to, and according to the value of their land, and the situation it is in, because the land varies in value.

302. No other occupiers in the parish have rights over that land?—No, they are not affected by it at all.

303. Except those you mentioned?—Except as occupiers of land in the open fields, but only as tenants.

304. The only people who have actual rights over the land are those you have mentioned?—Of course, the occupiers have the rights now, but only as tenants.

305. Tenants of the original owners?—Yes.

306. Do you wish to tell us any more about the red?—I think it is obvious that it would be very much better inclosed.

307. And

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Mr. WALKER.

[Continued.]

Chairman—continued.

307. And they were perfectly unanimous about that?—Yes.

308. Now, can you tell us about the regulations of the green?—With regard to the green there are only seven common right owners. There are 34 common rights in all, of which Lord Wenlock holds 28, the Rector one, Mr. Rooke one, Mrs. Kirk one, Mr. Henry Ward one, Mrs. Webster one, and Mr. John Long one. That is six besides Lord Wenlock, seven in all. The feeling, as a rule, I think, is indifferent, but there was a certain amount of opposition amongst the individual holders of one common right. If anything is done on the common it is a question of expense; the common now is only available to the common right owners in the way that the custom has grown up that a common right owner can pasture on the common to the extent of all the cattle that he winters; however many cattle he may winter he can pasture them.

309. However many he may winter in his yards he may pasture on the common?—Yes, so that if you get a man who can winter 50 cattle he can turn them out, and the only value of the common to that man is for water; there is really no pasture; it will not carry stock, or very little.

310. Is it heath land?—Heath and waste land. It is useful to them for water. Then others that have these rights have no cattle wintering, therefore their right is done away with altogether; they cannot exercise their right under the present system.

311. Unless they winter cattle they cannot turn any out?—No. Then there is a light railway that is talked about, which is supposed to come to the east of the green. I can show you where the station is proposed to be. (*The Witness explained on the map.*) If that railway comes, then there is no necessity to make any road at all. Riccall is here, and this road has been made across Riccall Common when it was enclosed, and is a hard road up to that point, and there it ceases. We have no means of making a road across the common unless some rights are given in the regulations. When this was asked for the idea of the light railway had not come up, but it has since come up, and has been approved by the Light Railway Commissioners, and it may do away with the necessity of making a road there.

312. Then you wish to exclude that road?—No, we wish to have the power to make it, if necessary, and we are asking for powers for regulating with a view that the stinting rights should be equitable rights, and that other questions with regard to the regulations of common, turbary, and that sort of thing should be gone into rather with a view to preserving the common than anything else.

313. How do you propose to administer the common; who are the committee?—The board in their scheme, at the bottom of page 3, says: "There shall be five conservators of the said common to be appointed as follows (that is to say), one by the Lord of the Manor, one by the Riccall Rural District Council, one by the Skipwith Parish Meeting, and two by the persons entitled to rights of common." Then it

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Chairman—continued.

goes on to deal with the duties of the conservators.

314. Was that explained to the meetings?—That was all explained at the meeting.

315. Do they agree to it?—No, I do not think they do, because the difficulty of carrying these regulations out may mean expense.

316. Then what is the alternative?—The alternative is that if they are given the right to do this work and anybody will provide the money they can do it, but at present they have no right. We can make no road across the common because we cannot fence it off. We can make no road that any public body could take over.

317. Unless you have this scheme and these conservators improve the common in that way, and regulate it and get the money to make the roads, who else can do it?—Nobody can.

318. There is no alternative except to leave it as it is?—Except to leave it as it is. If the highway authorities chose to provide the money under this scheme the conservators could do it.

319. Was that explained at the meeting?—I do not think it was.

320. When you say that they were not unanimous they thought that it would increase the rates on the different parishes?—The common rights are absolutely valueless except, as I say, that a man may be able to take his cattle in a very dry summer to water there. Therefore as they are valueless there is no money derived from the common to meet any expenditure on it.

321. But this money could only be spent by the consent of the majority of the conservators, and as the Skipwith Parish Meeting has one, and two persons who represent the commoners are on it, and the Riccall Rural District Council are on it, they could spend just as much or as little as they pleased?—We thought that that was sufficient safeguard that the common right owners would not be put to expense unless they desired.

322. Is there any proposal to put to any other conservator?—No, I think not.

323. Of course a majority of these conservators could bind the others?—Yes. Then there is another question in connection with the common. At present it is very little used except by gipsies, who are a great nuisance to the surrounding landowners; they forget to tether their horses and they break through into the adjoining enclosed land, and it is felt altogether that if there were some authority in charge of the common, it would be for the benefit of the public generally.

324. Who exercise the rights of regulation now under the Lord of the Manor?—The Lord of the Manor as far as there are any rights.

325. Cannot he under the Local Government Act delegate those rights to the parish councils?—There are so many irregularities which have cropped up by custom, and it was felt better that it should be properly regulated.

326. By a regular scheme?—By a regular scheme.

327. Giving up the rights of the Lord of the Manor was considered before this scheme was proposed, was it. You are aware that under

the

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MR. WALKER.

[Continued.]

Chairman—continued.

the Local Government Act the Lord of the Manor can give up his rights to the parish council?—Yes, but it did not meet the whole of this case, because of the road making, and it was felt better that it should be one scheme.

328. Can you tell us something more about the advantage of doing this?—The trespass on the common and damage done to the common by gipsies—

329. You mean trespasses by outsiders?—Yes, gipsies often set it on fire, and their cattle getting on to the adjoining land, and the making of roads, are the chief things.

330. And have you taken care about the allotments; that will be in the open fields, I forgot to ask about that before?—There are 3 acres set aside in the open fields.

Mr. Jones.

331. Then you have 3 acres of poor's land which would be available for exchange?—Yes, the 3 acres of the poor's land is very much in the north of the parish. It is right away from the village.

Chairman.

332. What do you propose to do with that; under the scheme you might take that land and give them a piece here, I suppose?—Yes.

333. Under the scheme, what do you propose to do?—The idea was that it was no good to them there, but that Lord Wenlock instead of giving them a 3-acre patch there would let them have gardens in the open fields land, so as to give them 6 acres nearer the village.

Mr. Wilson.

334. Was that provided in the scheme?—No, it could not be in the scheme because this is enclosed land.

Chairman.

335. That is private property?—That is the poor's private property, which is not affected by this scheme at all.

Mr. Jones.

336. The idea is if necessary to exchange that for better land and land more available?—The idea was that this 3 acres right away from the village was no good to the poor, and the idea was that it was very much better to let them give up the land, and ask whoever was allotting the 3 acres there to allot 6 acres, or whatever would be equivalent in value.

Mr. Loyd.

337. Who gets the rent for that?—There is a regular poor scheme.

Mr. Jones.

338. Who controls that, the Charity Commissioners?—The Charity Commissioners.

Chairman.

339. We have nothing to do with that piece?—No, it cannot come into this scheme.

340. Now with regard to the other part of the land, I think you have explained with regard to the arable land that the parishioners were unanimous about that?—Yes.

Chairman—continued.

341. If you have anything more to say about the regulation of the common you might say it now?—I do not think I have anything further to say. There is another witness here who knows what has been going on for years.

342. I think you have already said that the common rights are of very little use?—They are practically of little or no use.

343. And it is chiefly used by the gipsies camping on it?—Yes, they camp there, and do a good deal of damage.

344. There is nothing else you want to say to the Committee?—I think not.

Mr. Wilson.

345. Might I ask who brings the scheme forward as to the common, not the open fields?—I think Lord Wenlock.

Mr. Loyd.

346. Do these gipsies constantly come before you in matters of commons regulations; are they usually cited as a grievance that requires regulation?—No, but they came up in a discussion a good deal at the parish meetings; the gipsies were what most of the parishioners complained about.

347. Cannot anything be done to give them some sort of lodgment; it seems to be necessary to them to live in the open air, gipsies will not live in confinement?—No, but if it were regulated they could be kept to one part where they would be under the eye of the police, more or less.

348. I suppose these are boggy ponds all about the common; do they get the water to boil their kettles out of these ponds?—I do not know about it, there is another witness who can tell you.

349. Your idea is that they must have someone to show them where they can safely camp, and where they can light their fires?—Yes, the police have asked us to do that.

350. There is no desire to drive them off?—No, but that they should be regulated in some way. The police prefer them being on the open land, because they can look after them better, but it is only to insure where they shall be.

351. Mill Roods, I see, is the name of the place where the allotment ground is?—That is near the village.

352. It seems to be well situated; is that open to floodings at all?—No, that is fairly high.

353. And, in your opinion, is that a really good and suitable place for them to have their allotments?—Yes.

354. How about the quantities; having regard to the population, does 3 acres seem to you to be sufficient?—We have found difficulty with allotments. When Riccall, the adjoining parish was enclosed, I forget what the acreage was, but a fair acreage was put down then, and the land has gone out of cultivation, and it has had to be let to farmers.

355. I suppose you do not want to set apart land which will run to waste?—No, they have got good gardens, and there will be no difficulty in getting more land.

Mr. Jones.

356. Of course the population of this parish would

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Mr. WALKER.

[Continued.]

Mr. Jones—continued.

would be entirely employed in agriculture?—Yes.

357. Having regard to that, does not it seem to you that three acres in one of the open fields would be rather too small for allotments?—Our experience up there is that it is rather too large.

Captain Bagot.

358. That is my experience up in the north too?—They get good gardens.

Mr. Jones.

359. You deal with the number of cottages in the parish, about 12, and, of course, you connect these allotments mainly with those 12 cottages, but having regard to the fact that this village is only four miles from Selby, with 6,000 inhabitants, a considerable town, do not you think that the possibility is now, with all the advantages which people have for going about on bicycles and in other ways, that those cottages might increase. I find that lots of labourers leave the East End of London in order to live in Essex in order to get a garden of a sort, and the probability is that in future there would be development in this question of allotments, and many people would like to come back. You are now dealing with these 12 cottages?—Our experience was not with Skipwith but with Riccall, where an enclosure took place. That is the adjoining parish, which has a population of 736, and the station is in the village, and it is within six miles of Selby, and there, as I say, the allotment land which was put on one side when the enclosure took place, was out of cultivation for some years until last year, when it was let to a farmer, not as allotment.

360. May not the conditions be quite different?—I think not, because it is an agricultural

Mr. Jones—continued.

village with a large population, and the allotments were very suitable. We had very strong evidence about that.

361. Can you tell me anything about these tumuli?—No, I am afraid I do not know a great deal about them. They are marked on the map, and it was thought that they should be preserved.

362. I see on page 1 that they are to be preserved, but on page 4 you will notice: "The tumuli on the said common shall, so far as possible, be preserved by the conservators." Would you be prepared for a scheme to deal with those tumuli? If they are opened at all, as no doubt some of them will be, they surely ought to be superintended by somebody in the opening?—I think they have all been opened. The conservators will be in charge of them, but as the conservators have no money, they would have to get somebody else to provide the money.

363. But the question is this, they would not let them be ruthlessly swept away as in many instances they have been?—The idea is that one of the things we should try to protect would be the tumuli.

364. Do not you think that you want something stronger than that as far as possible they should be preserved by the conservators?—I do not know that. These tumuli have no great value. They have a certain value, and it is right to preserve them, but many of them have been opened.

365. I do not mean that they should all be preserved, but when excavations are made that they should be safeguarded by the conservators, and that they should be properly superintended for objects of antiquarian and archaeological research and value?—I think that was the idea of the board's order.

WILLIAM CALVERT, Examined.

Chairman.

366. You reside at Skipwith in the county of Yorkshire, and you are a farmer?—Yes.

367. You are of considerable age, and have you lived in Skipwith all your life?—Yes.

368. And have you been for 30 years Bailiff of the Manor Court there?—Yes.

369. Therefore you thoroughly know all the customs connected with these plots of land?—I do.

370. And you know the common and the open fields at Skipwith?—Yes.

371. And, generally, you are well acquainted with the neighbourhood?—Yes.

372. Did you attend all the meetings that were held with regard to the proposed enclosure of this land and the regulation of the common?—Yes, it was all public.

373. And you went there?—Yes.

374. Tell us what happened at those meetings, when it was discussed as to whether these 321 acres should be enclosed or not. What was the feeling about it?—It was to be enclosed by the inhabitants. They all agreed to it that had any rights in it. They all seemed to be very agreeable to it that it should be done.

375. They thought it would be a benefit?—Yes.

0.19.

Chairman—continued.

376. Did you hear anybody say that it would be against the interests of the parish?—I have not heard anyone say so.

377. And were they satisfied with the allotment land; did they agree about allotments?—I have not heard that mentioned, I think, only by one cottager.

378. What did he want?—He would like to have one, but I did not hear of any other who wished to have anything of the sort.

379. Only one man?—Only one man; he is a near neighbour of mine.

380. Can you tell us about those people who have common rights on this piece of 826 acres; how many are there?—There are 34 common rights altogether; Lord Wenlock has 28, and there will be six belonging to what we call the freeholds.

381. The last witness gave us the names?—Yes, that was correct.

382. One each, and 28 to Lord Wenlock?—Yes.

383. Perhaps you heard what Mr. Walker said with regard to turning out cattle?—Yes.

384. Is that right?—There is a deal that does not turn out at all.

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385. Perhaps

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W. CALVERT.

[Continued.]

Chairman—continued.

385. Perhaps they do not house any?—Yes, they do, and they do not turn any out at all.

386. But then they could turn out if they liked; he said that as many cattle as you housed in the winter you could turn out in the summer?—It never was confined to that because there have not been so many turned out.

387. They do not all exercise the right; is that what you mean?—They do not.

388. Can they get rid of these pasture rights; can they let them to anybody?—No.

389. They are confined to themselves, these seven people?—They are confined to those.

390. They cannot let them to anybody?—No.

391. But, of course, they might turn out cattle, I suppose, if they paid a nominal sum to the Lord of the Manor? They would not have a right to, but they might turn them out if they paid something to the Lord of the Manor?—Yes, they can do that. They have done so at times. I have never turned anything out. I have a common right, but I have never used it at all.

392. You do not think it is worth using?—It is not worth using unless it be a very dry summer and you have not water and there is water on the common.

393. With regard to this common, you know what it is proposed to do?—Yes.

394. You have heard that it is proposed to put it in the hands of five conservators, people who will take care of it?—Yes.

395. Are you not afraid that they may spend a great deal of money and raise the rates? You are a ratepayer, you would have to pay if they made roads and regulations over that common?—Yes, I am a ratepayer, and I should have to be in at that.

396. But you can trust these gentlemen that you are going to make conservators. Did you hear who they were?—No.

397. There are to be five. One is to be appointed by the Lord of the Manor, one by the Riccall Rural District Council, one by the Skipwith Parish Meeting, and two by the persons entitled to rights of common?—Yes.

398. These conservators may regulate that common, and they may make a road or roads across it and plant trees; you are not afraid that they will be extravagant and raise your rates?—No; I think that they would be the other way. They want to wear as little money as ever they can. The common right owners want this regulating, but they want to spend as little as they can. That is the strength of it.

399. And that is the opinion of the other commoners?—Yes.

Mr. FRANCIS ELLIOT WALKER, recalled; and Examined.

Chairman.

412. WILL you tell us now if rates are required for the regulation of this common for various improvements, how would the rates be levied, and upon whom?—It is set out on page 4, paragraph 4: "The expenses of and incidental to the regulation of the said common shall be raised by means of a rate or rates to be levied

Chairman—continued.

400. Do you know that if they do all that they can only raise the rates on those who have the right of common, and not on the parish; has that been brought out?—I have not read that.

401. What is the opinion of the ratepayers generally in the parish about this regulation of the common?—They would like it to be done. It would make a very great improvement if it was done, such as a road made across regulating those gipsies, which are a very great nuisance particularly. I have known them and have done all my life. We happen to have land adjoining this common, and they are a very great nuisance with breaking fences, and thieving anything, putting horses into your fields; it wants altering.

402. You think it would be a good thing in that way?—Yes.

403. Do you think that that is the unanimous opinion of the parishioners?—It is.

404. You are quite sure that they would like, not only these arable fields enclosed, but that they would like that 826 acres regulated in that way?—Yes; not to be too much expense. That is the feeling.

405. Have they talked a great deal about it?—No, not seriously, but they have discussed it over.

406. And they have come to that conclusion?—Yes. They do not know, of course, what it might be.

407. When the inquiry was held did everybody have an opportunity of knowing that it was going to be held?—Yes.

408. And anybody might have come if they had liked?—Yes, we had two meetings one day.

409. One in the morning and one in the evening?—Yes.

410. Have you anything else you want to say to the Committee?—No, I cannot say that I have anything to bring forward.

Mr. Loyd.

411. Do these gipsies that you have known all your life follow a particular route; do they go up to races and down again to fairs, or what line of country do they generally travel?—From village to village they go, and they stop where they can, but Skipwith is a noted place, we having this common. A distance off the highway is enclosed land, and they will go right across the common to the outside where the enclosed land is, and at night they will put their horses into your fields, no matter what it is; that is what they have done a score of times, and they will light fires, and burn and break the hedges; they make very sad work.

Chairman—continued.

by the value on the persons entitled to rights of common in or upon the said common, in proportion to the value of their respective rights as determined by the valuer for the purposes of the regulation."

413. Then it would not fall upon the parishioners?—Not at all.

414. What

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Mr. WALKER.

[Continued.]

Captain Bagot.

414. What proportion of these five votes represent the common right owners?—Two.

415. Then the other people do not represent the people who would have to pay, the majority of these Conservators; is not that so?—Yes, that might be so.

Mr. Jones.

416. What about the Lord of the Manor himself; does he pay?—He has 28 common rights.

417. Then, in that case, there are three votes?—Yes.

Mr. Freeman Thomas.

418. I thought you said that the other Commoners objected to this scheme?—They do not want to spend any money.

Captain Bagot.

419. How many Conservators out of these five represent people who would pay a rate if it was levied?—Three out of the five.

Mr. Wilson.

420. Those who vote will determine rights of common pasture, and the people who are to put their stock on, and rights of turbary?—Yes.

421. We know Lord Wenlock; is the Rev. C. D. Ash the Rector?—Yes.

422. Who is Mr. Joseph Rooke?—He is a freeholder there, a farmer.

423. He has a small freehold?—Yes.

424. Do you know what acreage?—I cannot quite tell you. I should think about 3 acres, or something like that.

425. Mrs. Kirk?—Very much the same. Both these would be under 20 acres.

426. Mr. Henry Ward?—Mr. Henry Ward is a larger owner in the parish.

427. Mrs. Webster?—Mrs. Webster has very little land.

428. Mr. John Long?—Mr. John Long has only a cottage to which the common right belongs.

429. So you see that the people who are the commoners' representatives are all owners, are they not?—Yes.

430. Where do the commoners, the smaller men, come in?—On account of their rights of common. They may be taken away from them. Nobody can claim them as a right. For instance, with Mr Rooke, a case in point, the common right went with one cottage, but it was sold with the adjoining cottage.

Chairman.

431. The parishioners, the occupiers of the parish, have no common rights, you say?—No.

432. The fact is that common rights are restricted to a very few cottages?—Yes. There is a point that I daresay you have noticed, that

Mr. HENRY WALTER BADGER, Examined.

Chairman.

444. Have you the notes of the meetings?—Yes.

445. Just tell us what was done?—We had a

Chairman—continued.

a small piece of the common is to be put on one side as a recreation ground. It is a detached piece of common.

433. That would be the only enclosed piece you take up?—That would not really be inclosed, but still it would be regulated more than the remainder.

Mr. Jones.

434. I think that is about five acres?—Yes.

Mr. Wilson.

435. We did hear from you that there was some bit of opposition to the common part?—I must say that two or three are neutral. I think Mr. Rooke and Mr. Ash are neutral, and the other two are non-residents, but there were two, Mr. Ward and one of the others, who opposed it on the ground that they might be put to some expense.

Chairman.

436. Can you tell us, if they really oppose it, why they did not come here and give their evidence?—I do not think the opposition is enough for that, but at the meeting they carried the vote against me.

437. I suppose they knew that there would be no expense if they came up here?—Mr. Calvert can tell you really more what their feeling was. It is not a real opposition, but it is that they cannot see that it is going to do them any good.

Mr. Wilson.

438. Which way was the vote carried?—Against me in numbers.

Mr. Jones.

439. How many were there at the meeting?—I am afraid I have no notes of that. It was not the part that I came prepared to answer, but I should think there would be about 20 at the meeting.

440. And the majority were against?—Yes, I think so.

Chairman.

441. We might get the numbers from Mr. Russell's notes?—Mr. Badger, who is a solicitor, has his notes of the meetings. I did not come prepared to answer that.

Mr. Montague.

442. The commoners were not in the majority; it was the villagers?—No, I think I was wrong. It was at the meeting of commoners that I was defeated.

Mr. Freeman Thomas.

443. At the public meeting you were not?—No.

Chairman—continued.

meeting held to consider the Provisional Orders which were sent down for the Board of Agriculture.

446. After

2 May 1901.]

Mr. BADGER.

[Continued.]

Chairman—continued.

446. After due notice?—After due notice. The meeting was held at the Hare and Hounds Inn on the 28th March 1900, to consider the terms and provisions of the proposed Provisional Order. There were present Mr. Walker, for Lord Wenlock, Mr. Ward, Mr. Rooke, Mr. Kirk, Mr. Eccles, and the two overseers of the poor, and a resolution was proposed and carried unanimously for the enclosure of the open fields land; that was the first resolution that was put, subject to this, that I was requested to put before the Board the objection to the field garden allotments. Then subsequently the question of the regulation of the common was brought forward, and it was proposed by Mr. Ward and seconded by Mr. Rooke, that the regulation of the common be not carried out. The only dissentient was Mr. Walker, on behalf of Lord Wenlock. There were only four present: Lord Wenlock was representing 28 common rights; Mr. Walker was representing him, and there were also present Mr. Ward, Mr. Rooke, and Mr. Kirk.

447. The only dissentient then was Lord Wenlock's representative?—Yes; there were four common right owners present. Mr. Walker, representing Lord Wenlock, representing 28 common rights, and Mr. Ward, Mr. Rooke, and Mr. Kirk one each.

448. How many more could have come?—They all might have come. There are only six altogether besides Lord Wenlock, and three out of the six came. The opinion of the meeting was rather that the opposition was not at all strong, but that they did not quite see the advantage of it at the time, and they thought that there might be a rate levied, and they did not exactly know what that rate might be.

449. Why did not they come up here to tell us that?—Really they were indifferent, practically; it is not an active opposition.

Mr. Wilson.

450. Do they know that they may come, do you think?—Yes, they are quite aware of it; in

Mr. Wilson—continued.

fact, I rather urged them to come up and state their views.

Mr. Jones.

451. What about the public meeting before this. You hold an inquiry, and after the inquiry and certain public meetings you have a Provisional Order. You are stating now what happened subsequently to the Provisional Order, but what happened at the public meetings?—On the 10th and 11th January?

452. Yes?—The public feeling at the meeting of the 10th January was unanimous in favour of the enclosure of the open fields. There was not a dissentient. With regard to the regulation the people were practically indifferent. They said: "What good is it going to do us?" but there was no active opposition of any kind.

453. At least, there was no organised opposition?—There was no organised opposition.

454. But the people really were indifferent?—Yes, they were really indifferent.

Chairman.

455. I suppose no notes are taken of the proceedings when they are held in that way?—I took notes.

456. But no shorthand notes were taken?—No shorthand notes. I have a copy of the report in the local paper.

457. What did you say was the voting at the open meetings in January; were they unanimous about the enclosing of this arable land?—Yes.

458. What was the voting with regard to the green land?—There was no voting at all, but the feeling of the meeting was expressed; there was no actual voting.

Mr. Wilson.

459. Why was not a vote taken?—I think it is not the usual thing at the first meeting. There was a vote taken, of course, when the Provisional Orders came down for consideration.

Sir JACOB WILSON, recalled.

Mr. Loyd.

460. Do I understand that as regards regulation, the Board of Agriculture do not consider that they are the guardians of the public so much as carrying out the policy of Parliament in the Act of 1876 with regard to the regulation of commons?—That is so, I think.

461. I mean that with regard to enclosure you approach it as a thing to be resisted except upon the strongest grounds; with regard to regulation you regard it as a thing to be promoted in the way of giving effect to the Act of 1876?—That is so, for the benefit of the public.

462. I understood just now, from the Witness who was at the table, that on this question of regulation there is an idea amongst the parishioners of expense, which does not arise on the question of enclosure?—Necessarily, yes.

463. That is a source of opposition in the case

Mr. Loyd—continued.

of regulation, which does not exist in the case of enclosure?—Yes.

464. Were any steps taken to enlighten the public as to what the extent of possible liability upon them was?—That must be left in the hands of the Conservators to judge of each case on its merits.

465. Would it be possible for them to regulate the common without incurring any expense at all?—I should think they might.

466. I suppose they must appoint some sort of guardian?—The only serious expense would come in the case of laying out roads or matters of that sort. Regulation might require that they would have to appoint a man to look after it.

467. Take the case of showing gipsies where they might encamp or keeping them from breaking hedges; that would require a guardian of

2 May 1901.

Sir J. WILSON.

[Continued.]

Mr. Loyd—continued.

of some sort, would it not?—You would assume, naturally, that those who were interested would only be too glad to pay.

468. Anything like serious expense, you say, can only arise when expensive works like laying out roads and so on are undertaken?—Quite so.

The Committee Room was cleared, and after a short time the parties were again called in.

Chairman.] The Committee decide to grant the Provisional Orders according to the scheme proposed by the Board of Agriculture.

R E P O R T

FROM THE

SELECT COMMITTEE

ON

COMMONS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

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R E P O R T

FROM THE

STANDING COMMITTEE

ON

LAW, AND COURTS OF JUSTICE, AND
LEGAL PROCEDURE,

ON THE

CREMATION BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

*Ordered, by The House of Commons, to be Printed,
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1901.

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1901.

STANDING COMMITTEE ON LAW, AND COURTS OF JUSTICE,
AND LEGAL PROCEDURE.

[*Friday, 8th March 1901*]:—Mr. Halsey further reported from the Committee of Selection; That they had nominated the following Members to serve on the Standing Committee for the consideration of all Bills relating to Law, and Courts of Justice, and Legal Procedure which may, by Order of the House, be committed to such Standing Committee:—

Committee nominated of—

The Lord Advocate.
Mr. Asquith.
Mr. Atherley-Jones.
Mr. Atkinson.
Mr. Barlow.
Mr. Bartley.
Mr. Beach.
Mr. Butcher.
Mr. Carew.
Lord Hugh Cecil.
Mr. Clancy.
Mr. Coghill.
Mr. Cripps.
Sir Savile Crossley.
Mr. Bromley-Davenport.
Sir Charles Dilke.
Mr. Dillon.
Mr. Tatton Egerton.
Mr. Arthur Elliot.
Mr. Samuel Evans.
Mr. Faber.
Sir George Fardell.
Mr. Flynn.
Mr. Vicary Gibbs.
Sir Frederick Godson.
Mr. Goulding.
Mr. Graham.
Mr. H. D. Greene.
Mr. Haldane.
Mr. Harwood.
Mr. T. M. Healy.
Mr. James Heath.
Mr. Helder.
Mr. Hemphill.

Mr. Henry Hobhouse.
Mr. Jacoby.
Mr. Brynmor Jones.
Mr. Jordan.
Mr. Lees Knowles.
Mr. W. F. Lawrence.
Sir Joseph Leese.
Mr. Loder.
Mr. A. K. Loyd.
Mr. Lyttelton.
Dr. Macnamara.
Mr. MacNeill.
Sir Henry Meysey-Thompson.
Colonel Milward.
Mr. Arthur Morton.
Mr. Lloyd Morgan.
Captain Norton.
Sir Francis Powell.
Colonel Pryce-Jones.
Sir Robert Reid.
Mr. Rentoul.
Mr. Secretary Ritchie.
Mr. Bryn Roberts.
Mr. Parker Smith.
Mr. Soames.
Mr. Solicitor General.
Mr. Ernest Spencer.
Mr. Stevenson.
Sir Benjamin Stone.
Mr. Ure.
Sir Howard Vincent.
Mr. Robert Wallace.
Mr. Warr.
Sir James Woodhouse.

[*Monday, 1st April 1901*]:—Cremation Bill [Lords],—read a second time:—Motion made, and Question put, "That the Bill be committed to the Standing Committee on Law, &c."—(Sir Walter Foster).—The House divided; Ayes 137, Noes 102.

Bill committed to the Standing Committee on Law, &c.

[*Friday, 19th April 1901*]:—Mr. Halsey further reported from the Committee; That they had added to the Standing Committee on Law, and Courts of Justice, and Legal Procedure, the following Fifteen Members in respect of the Cremation Bill [Lords]:—Mr. Banbury, Mr. Broadhurst, Sir Michael Foster, Sir Walter Foster, Mr. Jeffreys, Colonel Kenyon-Slaney, Mr. Lowe, Dr. MacDonnell, Mr. McCrae, Mr. Seton-Karr, Mr. Samuel Smith, Dr. E. C. Thompson, Mr. Tomlinson, Mr. Luke White, and Sir Frederick Wills.

[*Monday, 22nd April 1901*]:—Standing Committees (Chairmen's Panel),—Sir James Fergusson reported from the Chairmen's Panel; That they had appointed Lord Edmond Fitzmaurice to act as Chairman of the Standing Committee for the consideration of Bills relating to Law, and Courts of Justice, and Legal Procedure.

Sir James Fergusson further reported from the Chairmen's Panel; That they had agreed to the following resolution:—That any Member of the Chairmen's Panel be and he is hereby empowered to ask any other Member of the Chairmen's Panel to take his place in case of necessity.

Report to lie upon the Table.

[*Friday, 26th April 1901*]:—Standing Committees,—*Ordered*, That all Standing Committees have leave to print, and circulate with the Votes, the Minutes of their Proceedings and any amended Clauses of Bills committed to them.—(*Lord Edmond Fitzmaurice.*)

R E P O R T.

THE STANDING COMMITTEE on LAW, AND COURTS OF JUSTICE, AND LEGAL
PROCEDURE, to whom the CREMATION BILL (LORDS) was referred ;---HAVE gone
through the Bill, and made Amendments thereunto.

3 May 1901.

STANDING COMMITTEE ON LAW, AND COURTS OF JUSTICE, AND LEGAL PROCEDURE.

Friday, 3rd May 1901.

MEMBERS PRESENT :

Lord EDMOND FITZMAURICE in the Chair.

Lord Hugh Cecil.	Mr. M'Crae.
Mr. Faber.	Captain Norton.
Sir Michael Foster.	Sir Francis Powell.
Sir Walter Foster.	Colonel Pryce-Jones.
Mr. Vicary Gibbs.	Mr. Rentoul.
Mr. Graham.	Mr. Soames.
Mr. H. D. Greene.	Mr. Solicitor-General.
Mr. James Heath.	Mr. Stevenson.
Mr. Jacoby.	Dr. E. C. Thompson.
Mr. Jeffreys.	Mr. Tomlinson.
Mr. Jordan.	Mr. Ure.
Mr. Loder.	Mr. Luke White.
Mr. Lowe.	Sir Frederick Wills.
Mr. Lyttelton.	

CREMATION BILL [LORDS].

Clause 1, *agreed to.*

Clause 2

Amendment proposed, in page 1, line 13, after the words "for the," to insert the words "purpose of"—(*Mr. Solicitor-General*).—Question, That those words be there inserted,—put, and *agreed to.*

Another Amendment proposed, in page 1, line 13, to leave out the word "of"—(*Mr. Solicitor-General*).—Question, That the word "of" stand part of the Clause,—put, and *negatived.*

Another Amendment proposed, in page 1, line 13, after the word "remains," to insert the words "and shall include everything incidental or ancillary thereto"—(*Mr. Solicitor-General*).—Question, That those words be there inserted,—put, and *agreed to.*

Clause, as amended, *agreed to.*

Clause 3.

Amendment proposed, in page 1, line 14, after the word "powers," to insert the words "of a burial authority."—(*The Chairman*.) Question, That those words be there inserted,—put, and *agreed to.*

Another Amendment proposed, in page 1, line 15, after the words "cemeteries," to insert the words "or anything essential, ancillary, or incidental thereto"—(*Mr. Solicitor-General*).—Question, That those words be there inserted,—put, and *agreed to.*

Another Amendment proposed, in page 1, line 15, to leave out the words "be deemed to," in order to insert the words "on the application of any such authority and with the sanction of the Secretary of State"—(*Mr. Luke White*)—instead thereof.—Question proposed, That the words proposed to be left out stand part of the Clause.

Amendment, by leave, *withdrawn.*

Another Amendment proposed, in page 1, line 19, at the end of the Clause, to add the words : "And until the crematorium has been certified by the proper officer of the Secretary of State to be complete and properly equipped for the purpose of the disposal of human remains by burning"—(*Mr. Tomlinson*).—Question proposed, That those words be there added.

Amendment proposed to the proposed Amendment, in line 2, to leave out the words "proper officer of," in order to insert the words "burial authority to"—(*Sir Francis Powell*)—instead thereof.—Question put, That the words proposed to be left out stand part of the proposed Amendment.—The Committee divided :

Ayes, 4.

Lord Hugh Cecil.
Mr. Vicary Gibbs.
Mr. Lowe.
Mr. Tomlinson.

Noes, 19.

Mr. Faber.
Sir Michael Foster.
Sir Walter Foster.
Mr. Graham.
Mr. James Heath.
Mr. Jacoby.
Mr. Jeffreys.
Mr. Jordan.
Mr. M'Crae.
Captain Norton.
Sir Francis Powell.
Lieutenant-Colonel Pryce-Jones.
Mr. Rentoul.
Mr. Soames.
Mr. Solicitor-General.
Dr. E. C. Thompson.
Mr. Ure.
Mr. Luke White.
Sir Frederick Wills.

Question, That the words "burial authority to" be there inserted,—put, and *agreed to*.

Question, That the Amendment, as amended, be there added,—put, and *agreed to*.

Clause, as amended, *agreed to*.

Clause 4.

Amendment proposed, in page 1, line 24, after the word "place," to insert the words "and also as to the registration of such burnings as have taken place"—(*Mr. Solicitor-General*).—Question, That those words be there inserted,—put, and *agreed to*.

Another Amendment proposed, in page 1, line 25, at the end of the Clause to add the words: "A copy of such regulations shall be laid before both Houses of Parliament, if Parliament be then sitting, or, if not, then within three weeks after the beginning of the next ensuing Session of Parliament"—(*Mr. Tomlinson*).—Question, That those words be there added,—put, and *agreed to*.

Another Amendment proposed, at the end of the last Amendment, to add the words: "And after such regulations have lain for forty days before Parliament, then, unless within such forty days an Address has been presented by one or other of the said Houses praying His Majesty to withhold His assent from such regulations, or any part thereof, such regulations shall have the same effect as if they were specified in this Act"—(*Mr. Tomlinson*).—Question put, That those words be there added.—The Committee divided :

Ayes, 17.

Lord Hugh Cecil.
Mr. Faber.
Sir Michael Foster.
Mr. Vicary Gibbs.
Mr. H. D. Greene.
Mr. Jeffreys.
Mr. Jordan.
Mr. Lowe.
Mr. Lyttelton.
Captain Norton.
Sir Francis Powell.
Mr. Rentoul.
Mr. Soames.
Mr. Solicitor-General.
Dr. E. C. Thompson.
Mr. Tomlinson.
Sir Frederick Wills.

Noes, 8.

Sir Walter Foster.
Mr. Graham.
Mr. James Heath.
Mr. Jacoby.
Mr. M'Crae.
Lieutenant-Colonel Pryce-Jones.
Mr. Ure.
Mr. Luke White.

Clause, as amended, *agreed to*.

Clause 5.

Amendment proposed, in page 2, line 2, to leave out the word "wilfully"—(*Mr. Luke White*).—
Question proposed, That the word "wilfully" stand part of the Clause.

Amendment, by leave, *withdrawn*.

Clause, *agreed to*.

Clause 6.

Amendment proposed, in page 2, line 13, after the word "payment," to insert the words "in advance"—(*Mr. Tomlinson*).—Question proposed, That those words be there inserted.

Amendment, by leave, *withdrawn*.

Clause, *agreed to*.

Clauses 7—10, *agreed to*.

Ordered, To report the Bill, as amended, to the House.

R E P O R T

FROM THE

STANDING COMMITTEE

ON

LAW, AND COURTS OF JUSTICE, AND LEGAL
PROCEDURE,

ON THE

CREMATION BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

*Ordered, by The House of Commons, to be Printed,
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REPORT

FROM THE

SELECT COMMITTEE

ON THE

CIVIL LIST;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND AN APPENDIX.

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1901.

CIVIL LIST.

[*Monday, 11th March 1901*]:—Copy presented,—of Accounts and Estimates relating to the Civil List (by Command); to lie upon the Table.

Paragraph in the King's Speech respecting the Civil List at the opening of Parliament, and His Majesty's Message of the fifth day of this instant March, read as follows :—

Gentlemen of the House of Commons,

The demise of the Crown renders it necessary that a renewed provision shall be made for the Civil List. I place unreservedly at your disposal those hereditary revenues which were so placed by My predecessor; and I have commanded that the Papers necessary for a full consideration of the subject shall be laid before you.

EDWARD R.

His Majesty being desirous of making competent provision for the honourable support and maintenance of His Son, the Duke of Cornwall and York, His Daughter-in-law, the Duchess of Cornwall and York, and His Daughters, the Princess Louise, Duchess of Fife, the Princess Victoria, and Princess Charles of Denmark, and being further desirous that similar provision should be made for Her Majesty the Queen in the event of Her surviving Him, and for the Duchess of Cornwall and York in the event of Her surviving the Duke of Cornwall and York, recommends the consideration thereof to His Majesty's faithful Commons, and relies on their attachment to adopt such measures as may be suitable to the occasion.

Motion made, and Question proposed, "That a Select Committee be appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's Family":—(*Mr. Chancellor of the Exchequer*):—

Amendment proposed, at the end of the Question, to add the words "and to prepare a Report for presentation to this House showing in detail every item of expenditure from public funds towards the support and maintenance of the Royal Family"—(*Mr. Keir Hardie*).

Question proposed, "That those words be there added"—Amendment, by leave, *withdrawn*.

Ordered, That a Select Committee be appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's Family.

That the several Papers presented this day relating to the Civil List be referred to the Committee.

That the Committee do consist of Twenty-one Members.

That Mr. Balfour, Mr. Bartley, Sir John Brunner, Sir Henry Campbell-Bannerman, Mr. Chancellor of the Exchequer, Sir Frederick Dixon-Hartland, Sir William Hart Dyke, Sir Henry Fowler, and Sir William Harcourt be Members of the Committee.

Motion made, and Question put, "That Sir Samuel Hoare be one other Member of the Committee"—(*Mr. Chancellor of the Exchequer*)—The House divided: Ayes 300, Noes 25.

That Mr. Jackson be one other Member of the Committee.

Motion made, and Question put, "That Sir James Kitson be one other Member of the Committee"—(*Mr. Chancellor of the Exchequer*)—The House divided: Ayes 307, Noes 17.

That Mr. Labouchere, Mr. Macartney, Mr. McKenna, Mr. Mildmay, Mr. Renshaw, Mr. W. F. D. Smith, Mr. Stevenson, Mr. Warr, and Mr. Wharton be other Members of the Committee.

That Five be the quorum—(*Mr. Chancellor of the Exchequer*).

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R E P O R T.

THE Select Committee appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's family :—Have considered the matters and papers to them referred and have agreed to the following Report :—

At the outset it may be convenient to recite the charges on the Consolidated Fund in respect of the Royal Family as they stood at the death of Her late Majesty. These may be stated as follows, so far as they come within the purview of the Committee :—

	£.
(1.) Her Majesty's Civil List (omitting Class V., pensions granted under 1 Vict. c. 2, s. 5) - - - - -	385,000
(2.) His Royal Highness the Prince of Wales (26 Vict. c. 1) - - - - -	40,000
(3.) Her Royal Highness the Princess of Wales (26 Vict. c. 1) - - - - -	10,000
(4.) Annuity under Prince of Wales's Children Act, 1889 (52 & 53 Vict. c. 35) - - - - -	36,000
	£. 471,000

Other annuities to members of the Royal Family, amounting to 72,000*l.* per annum, are not affected by the death of Her late Majesty, and therefore need not for present purposes be referred to.

The Civil List charge and that under the Act of 1889 (Nos. 1 and 4) continue until 22nd July next, being six months from the death of Her late Majesty; the annuity to the Prince of Wales ceased at Her late Majesty's death; and the annuity assigned to the Princess of Wales was made payable to Her present Majesty during Her marriage with His present Majesty. This Annuity will cease on the enactment of the new Civil List. It should be added that Her present Majesty is, under the Act 26 Vict. c. 1, entitled to an annuity of 30,000*l.* in the event of widowhood.

In performing the duty entrusted to them by the House, of considering the Estimate laid before them for the future Civil List of the Sovereign (Appendix, Part VII.), your Committee have been guided to a considerable extent by the actual expenditure during the last ten years of the late reign. In the Papers laid before Parliament by command of His Majesty (Appendix, Part II.) will be found full information on this subject, of the same kind as was given on previous occasions. From this it appears that the amount of 172,500*l.* at which Class III. (Expenses of the Household) was fixed by the Civil List Act of 1837, has, in each of the last thirteen years, except in 1888, proved insufficient for its purpose, and has been accordingly supplemented from the Privy Purse and other sources to the total amount of 170,256*l.* The Privy Purse was enabled to make good the deficiencies on Class III. owing to the Savings on the total amount of the Civil List which had accrued to it during the previous portion of the reign, as appears in Part I. of the Appendix. It has therefore not been necessary for Her late Majesty to make any application to Parliament in respect of the increased expenditure of recent years. But the fact that such increase has occurred must be carefully borne in mind in considering the amount of the new Civil List, which can no longer be supplemented from the source referred to. In the interest both of the Crown and of the Nation it is essential that the Crown should, as has happily been the case during the late reign, avoid the necessity of special recourse to Parliament in respect of debts.

Your Committee recommend that the new Civil List should be fixed according to the following Estimate :—

			£.
First Class	- -	Their Majesties' Privy Purse	110,000
Second Class	- -	Salaries of His Majesty's Household and Retired Allowances.	125,800
Third Class	- -	Expenses of His Majesty's Household	193,000
Fourth Class	- -	Works	20,000
Fifth Class	- -	Royal Bounty, Alms, and Special Services.	13,200
Sixth Class	- -	Unappropriated	8,000
Total for the Civil List			£. 470,000

In the foregoing no reference has been made to the pensions granted under Sections 5 and 6 of the last Civil List Act, commonly called "Civil List Pensions." With regard to these no suggestion has been made for any alteration, and the Committee accordingly recommend the continuance of the present system, except that the variable amounts payable under this head (Appendix, Part III.) should no longer form a nominal class of the Civil List, but should be separately entered in the Consolidated Fund Accounts.

Your Committee pass to the provision to be made for other members of His Majesty's Family; and in the first place they recommend that an annuity of 20,000*l.* shall be paid out of the Consolidated Fund to His Royal Highness the Duke of Cornwall and York, who has succeeded to the Revenues of the Duchy of Cornwall (Appendix, Part VI.). They also recommend the grant of an annuity of 10,000*l.* to Her Royal Highness the Duchess of Cornwall and York during the continuance of Her marriage with His Royal Highness the Duke of Cornwall and York.

Your Committee have carefully considered whether it would be advisable that any provision, whether immediate or contingent, should be made at the present time for those children of the Heir Apparent who may reach an age at which they may require separate establishments; but in view of the youth of their Royal Highnesses and the consequent uncertainty of the future, they do not recommend that any such provision should be made on the present occasion, and content themselves by recording the fact that nothing for this purpose is included either in the Civil List or in the annuities proposed.

Your Committee have already called attention to the fact that the annuity granted by the Prince of Wales's Children Act, 1889, ceases on 22nd July 1901. It is therefore necessary to make fresh provision for their Royal Highnesses Princess Louise (Duchess of Fife), Princess Victoria and Princess Maud (Princess Charles of Denmark). Your Committee accordingly recommend that an annuity of 18,000*l.* for their joint lives, diminishing by 6,000*l.* with each death, should, in accordance with the precedent of the Prince of Wales's Children Act, 1889, be paid to trustees by quarterly payments out of the Consolidated Fund. Out of this fund the Sovereign, with the assent of the First Lord of the Treasury and the Chancellor of the Exchequer, should be empowered to make such assignments and in such manner to their Royal Highnesses as in His discretion He may from time to time think fit.

Your Committee further recommend that the contingent annuity of 30,000*l.* provided by the Act 26 & 27 Vict. c. 1 for Her Majesty the Queen Consort in the event of Her surviving His present Majesty, should be increased to 70,000*l.*; and that a contingent annuity of 30,000*l.* should be provided for her Royal Highness the Duchess of Cornwall and York in the event of her surviving his Royal Highness the Duke of Cornwall and York.

In the total of Class II. your Committee have included a sum to enable His Majesty to provide temporarily for the full salaries of offices which it is proposed ultimately to abolish or reduce, or for compensations on abolition, and also for the grant of pensions to servants who may gradually become incapacitated for further service. But they recommend that the Class shall be relieved from the present non-effective charge for pensions granted by Her late Majesty amounting to approximately 12,000*l.*, and that this sum, together with such further amount not exceeding in all 13,000*l.* per annum as may be necessary to provide for those members of Her late Majesty's Household who are entitled to pensions, and whose services will no longer be required, should be charged on the Consolidated Fund.

As the pensions so charged fall in, the Exchequer will reap the benefit, until the total amount of 25,000*l.* per annum has disappeared.

Your Committee next proceeded to inquire into the Third Class, viz., that for the expenditure in the Departments of the Lord Steward, the Lord Chamberlain, and the Master of the Horse. The amount allotted to this Class was fixed at 172,500*l.* in the last reign, and the Class will in future be relieved of certain items as follows :—

(a) £10,000 for decoration and other internal works at Windsor Castle and Buckingham Palace, transferred to the new Class IV., as explained below.

(b) £4,000 for Hunt expenses struck out.

(c) £5,000 the former provision for expenses of the Mistress of the Robes.

(d) £3,360 formerly paid as a contribution towards "Queen's Premiums" on Horses, which your Committee recommend should in future be added to the sum hitherto provided for this purpose in the Vote for Miscellaneous Expenses, Class VII., Vote 2, of the Civil Service Estimates. It may here be noted that by the removal of this item, together with the net effect of some minor adjustments, the Civil List will be relieved to the amount of about 5,000*l.* per annum.

After making these allowances, however, your Committee still feel that, in order to ensure that no restriction should be imposed upon the hospitality of the Sovereign, and that his comfort should not be interfered with, it is necessary that the amount allotted to this Class should be increased, and having regard to the experience of recent years they recommend that there should be provided—

	£.
For the Lord Steward - - - - -	107,500
„ Lord Chamberlain - - - - -	44,500
„ Master of the Horse - - - - -	41,000
<hr/>	
Making the total of Class III. - -	£. 193,000
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The Fourth Class requires special explanation. It consists of a sum of 10,000*l.* formerly included under the charges of the Lord Steward's and the Lord Chamberlain's Departments in Class III. for painting, papering, decoration, and other internal works in Windsor Castle and Buckingham Palace; and of a further sum of 10,000*l.* to provide for structural works of alteration and repair in the interior of those Palaces, such as during the last reign have been paid for from the Vote for Royal Palaces, Class I., Vote 1, of the Civil Service Estimates. In future any works of either kind which His Majesty may command, should be carried out by the Office of Works and charged to this Class of the Civil List, and the Estimates will be relieved of a corresponding charge of about 10,000*l.* a year.

The Fifth Class is identical with the Fourth Class in the Civil List of 1837, and comprises 9,000*l.* for Royal Bounty and Special Service, and 4,200*l.* for Royal Alms and Charity, in all 13,200*l.*

Your Committee proceed to report the results of their detailed consideration of the five classes of the new Civil List as submitted to them by His Majesty's Government (Appendix, Part VII.).

With respect to the First Class, which provides for the Privy Purse of their Majesties the King and Queen, your Committee, from the nature of the subject, have felt themselves precluded from enquiry. But having regard to precedent, they consider that they are making a reasonable proposition in recommending to the House to allot the sum of 110,000*l.* to this class, that being the amount at which the Privy Purse of King William the IV. and Queen Adelaide was fixed in 1830.

The Second Class comprehends not only the salaries of the Officers of State, but also other annual payments to persons belonging to the Court and the wages of servants. The Committee, in their enquiries into this Class, confined themselves mainly to the Officers of State, not thinking it consistent with the respect due to His Majesty to scrutinise the details of His domestic Household. The Estimate of the ultimate future charge for salaries in each of the three Household Departments, submitted to the Committee by His Majesty's Government, was based upon proposals for the abolition of unnecessary offices, and for the reduction of salaries as vacancies occur, which followed from an inquiry instituted by the command of His Majesty by the three Great Officers of State; the results of this inquiry appear in Appendix, Part VII., B. The following reduction should be mentioned as affecting Parliamentary Officers :—

Treasurer of the Household, from 904*l.* to 700*l.*

Comptroller of the Household, from 904*l.* to 700*l.*

Vice-Chamberlain, from 900*l.* to 700*l.*

Lords in Waiting, from seven at 700*l.* to five at 600*l.*

Captain of the Gentlemen at Arms, from 1,200*l.* to 1,000*l.*

Captain of the Yeomen of the Guard, from 1,200*l.* to 1,000*l.*

Master of the Horse, from 2,500*l.* to 2,000*l.*

This Class contained provision of 1,500*l.* for the salary of the Master of the Buckhounds, and about 700*l.* for wages of the Huntsmen and Hunt servants. Your Committee do not think it advisable that the Mastership of the Buckhounds should be continued, nor do they think it necessary that the Royal Hunt should be maintained. They feel that it is for the Sovereign to decide whether and in what form encouragement should be given by His Majesty to any particular national sport; and they do not consider it desirable to impose on His Majesty an obligation to do so by devoting a portion of the Civil List specially to that object. They have therefore struck out from Class II. the sum of 2,200*l.* in respect of the items of 1,500*l.* and 700*l.* mentioned above; and from Class III. the sum of 4,000*l.* included therein (under the Master of the Horse's Department) for expenses of the Hunt. If this recommendation of your Committee were adopted the present Master of the Buckhounds would cease to hold office as soon as arrangements could be made for terminating the Royal Hunt.

Your Committee recommend that provision should be made in Class II. for "the King's Personal Staff." This includes His Majesty's Private Secretary and Assistants, the Keeper of the Privy Purse and his Staff, and others whose services are no less necessary to His Majesty than those of the Staff in the Departments of the three Great Officers of the Household. The sum of 10,500*l.* is inserted to cover these charges.

They recommend that the provision in Class II. for the Salaries, &c. of the Household Departments should be as follows :—

	£.
The Lord Steward's Department - - - - -	29,000
The Lord Chamberlain's Department (including the Mistress of the Robes and other Members of the Queen Consort's Court) - - - - -	59,500
The Master of the Horse's Department - - - - -	26,800
making, with the provision for the King's Personal Staff, a total for the Class of	125,800 <i>l.</i>

The financial recommendations of the Committee may be summarised as follows :—

	£.
1. Civil List - - - - -	470,000
2. Annuity to H.R.H. the Duke of Cornwall and York -	20,000
3. Annuity to H.R.H. the Duchess of Cornwall and York	10,000
4. Provision for the King's Daughters - - - -	18,000
5. Charge on Consolidated Fund for Household Pensions to Servants of the late Queen, not exceeding - -	25,000
Total - - -	£. 543,000

	£.
For the purpose of comparing this figure with the corresponding charge in the late reign, viz. - - -	471,000
There should be added to the latter the sum transferred from Votes to the Civil List, viz. - - - - -	10,000
	481,000
And there should be deducted the amount of the charges of which it is proposed to relieve the Civil List, viz. -	5,000
	£. 476,000

	£.
The net increase proposed is therefore - - - - -	67,000
Falling ultimately, when the pension charge with respect to the Servants of the late Queen of - - - - -	25,000
(No. 5 above) disappears, to - - - - -	42,000

In conclusion, your Committee desire to state that they have received from those Ministers of the Crown who are Members of it all the information which they have deemed material to the objects of their Inquiry.

March 1901.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 13th March 1901.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir H. Campbell-Bannerman.
Mr. Chancellor of the Exchequer.
Sir F. Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Mr. Jackson.

Sir James Kitson.
Mr. Labouchere.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Mr. CHANCELLOR OF THE EXCHEQUER was called to the Chair.

The Committee deliberated.

[Adjourned till Friday, at Twelve o'clock.]

Friday, 15th March 1901.

MEMBERS PRESENT:

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Bartley.
Sir John Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir James Kitson.
Mr. Jackson.
Mr. Labouchere.
Mr. Macartney.

Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.
Mr. Balfour.

The Committee deliberated.

DRAFT SPECIAL REPORT proposed by the Chairman, read the first time, as follows:—

The attention of your Committee has been called to the publication in the "Times" newspaper of 14th March of a statement purporting to represent proposals contained in the papers marked Confidential referred to your Committee, and a Report of their proceedings on 13th March.

They are unable to ascertain in what manner this can have been divulged.

They recommend that Mr. Speaker, to whom the authority of the House in such matters is delegated, do take such steps, either by the exclusion of the representative of the "Times" from the inner lobbies of the House, or otherwise, as may seem to him best calculated to prevent such publication in future.

DRAFT SPECIAL REPORT read a second time.

Question, That this Report be the Special Report of the Committee to the House,—put and agreed to.

Ordered to Report.

[Adjourned till Tuesday, at Twelve o'clock.]

Tuesday, 19th March 1901.

MEMBERS PRESENT:

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir F. Dixon-Hartland.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Labouchere.
Mr. Macartney.

Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.
Sir William Hart Dyke.
Sir Henry Campbell-Bannerman.
Sir Henry Fowler.

The Committee deliberated.

Motion made, and Question, "That as surpluses have during Her late Majesty's reign been frequently transferred to Class I. (Her Majesty's Privy Purse) from other classes, although there was no deficit in Class I., there would appear no reason why the amount of the Civil List of His Majesty should be apportioned between classes. The Committee is therefore of opinion that no such apportionments should be made"—(Mr. *Labouchere*)—put, and *negatived*.

Class I. (Their Majesties' Privy Purse), *postponed*.

Class II. (Salaries of His Majesty's Household and Retired Allowances), *considered*.

Motion made, and Question, "That in the opinion of the Committee no salaries for political officers should be included in Class II."—(Mr. *Labouchere*)—put, and *negatived*.

Motion made, and Question proposed, "That the item Medical Staff, 1,400*l.*, be reduced to 1,000*l.*"—(Mr. *Stevenson*).—Question, "That the item 1,400*l.* stand part of the Class"—put, and *agreed to*.

Motion made, and Question, "That the item of 4,665*l.*, included in the Second Class under the title of 'Ecclesiastical Salaries and Allowances,' and the item of 1,354*l.*, included in the Second Class under the title of 'Ecclesiastical Officers,' be consolidated and reduced to 3,000*l.*"—(Mr. *McKenna*)—put, and *negatived*.

Motion made, and Question, "That the salary of the Master of the Horse (2,000*l.*) be discontinued"—(Sir *J. Brunner*)—put, and *negatived*.

Further consideration of Class II., *postponed*.

Class III. (Expenses of His Majesty's Household), *postponed*.

Class IV. (Works) (20,000*l.*), *considered and agreed to*.

Class V. (Royal Bounty, Alms, and Special Services) (13,200*l.*), *considered and agreed to*.

[Adjourned till Thursday next, at Twelve o'clock.]

Thursday, 21st March 1901.

MEMBERS PRESENT:

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.

Sir James Kitson.
Mr. Labouchere.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

The Committee deliberated.

Class II., further *considered*.

Motion made, and Question, "That the Mastership of the Buckhounds (salary 1,500*l.*), as it at present appears in Class II., be discontinued"—(Sir J. Brunner),—put, and *agreed to*.

Motion made, and Question, "That Class II. be reduced by 700*l.*, and Class III. by 4,000*l.* with respect to the Royal Hunt expenditure"—(Mr. Labouchere),—put, and *agreed to*.

Class II., as amended, *agreed to*.

Class III., *considered*.

Motion made, and Question, "That the sum proposed for the Lord Steward's Department be increased to 107,500*l.*, and that for the Lord Chamberlain's Department to 44,500*l.*, making the total of Class III. 193,000*l.*"—(The Chairman),—put, and *agreed to*.

Class III., as amended, *agreed to*.

Postponed Class I., *considered*.

Amendment proposed, "To leave out 110,000*l.*, in order to insert 90,000*l.*"—(Mr. Labouchere)—instead thereof.

Question put, "That 110,000*l.* stand part of the Class."—The Committee divided:

Ayes, 18.
Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Noes, 1.
Mr. Labouchere.

Class I., *agreed to*.

Class VI. (Unappropriated), *agreed to*.

Motion made, and Question proposed, "That the Committee recommend that an annuity of 20,000*l.* be granted to His Royal Highness the Duke of Cornwall and York"—(The Chairman).—Question put.—The Committee divided:

Ayes, 18.
Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Noes, 1.
Mr. Labouchere.

Motion made, and Question, "That the Committee recommend that an annuity of 10,000*l.* be granted to Her Royal Highness the Duchess of Cornwall and York"—(The Chairman),—put, and *agreed to*.

Motion

Motion made, and Question proposed, "That the Committee recommend that a Contingent Annuity of 70,000*l.* be granted to Her Majesty the Queen in the event of her surviving His Majesty the King"—(The *Chairman*).

Amendment proposed, "To leave out 70,000*l.* in order to insert 50,000*l.*"—(Mr. *Labouchere*).—instead thereof.—Question put, "That 70,000*l.* stand part of the Question."—The Committee divided :

Ayes, 18.
Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Noes, 1.
Mr. Labouchere.

Motion made, and Question, "That the Committee recommend that a Contingent Annuity of 30,000*l.* be granted to Her Royal Highness the Duchess of Cornwall and York in the event of her surviving His Royal Highness the Duke of Cornwall and York"—(The *Chairman*).—put, and agreed to.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 28th March 1901.

MEMBERS PRESENT :

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.

Mr. Labouchere.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.

The Committee deliberated.

The following letter received from Mr. Speaker was communicated to the Committee by the Chairman:—

Dear Sir Michael Hicks-Beach,

House of Commons,
27 March 1901.

I HAVE caused inquiry to be made into the conduct of the Lobby correspondent, who published in the "Times" the contents of a confidential paper relating to the Civil List. The fact seems to be that the correspondent did not solicit this information from any person, either in the Lobby or elsewhere, and that no consideration was given for it. His statement is that the information was voluntarily given to him by a person who read it to him from a paper, but that the paper was not handed to him nor was he told that it was marked "Confidential." I have no reason to doubt this statement, but I think he must or ought to have understood that the paper was one of a private nature which was before the Committee.

The above circumstances somewhat diminish the gravity of the offence, but I have informed the correspondent that if I refrain from removing his name from the Lobby list it is only upon the express understanding that he will not in future be the medium of communicating the contents of any "Confidential" Parliamentary paper to the press, and that any action of that kind by a Lobby correspondent will render such correspondent liable to exclusion from the Lobby.

I remain,
Yours very truly,
W. C. Gully.

The Committee deliberated.

DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows :—

"THE Select Committee appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's family :—Have considered the matters and papers to them referred and have agreed to the following Report :—

" 1. At the outset it may be convenient to recite the charges on the Consolidated Fund in respect of the Royal Family as they stood at the death of Her late Majesty. These may be stated as follows, so far as they come within the purview of the Committee :—

	£.
" (1.) Her Majesty's Civil List (omitting Class V., pensions granted under 1 Vict. c. 2, s. 5) - - - - -	385,000
" (2.) His Royal Highness the Prince of Wales (26 Vict. c. 1) - - - - -	40,000
" (3.) Her Royal Highness the Princess of Wales (26 Vict. c. 1) - - - - -	10,000
" (4.) Annuity under Prince of Wales' Children Act, 1889 (52 & 53 Vict. c. 35) - - - - -	36,000
	<hr/>
	£. 471,000

" Other annuities to members of the Royal Family, amounting to 72,000*l.* per annum, are not affected by the death of Her late Majesty, and therefore need not for present purposes be referred to.

" The Civil List charge and that under the Act of 1889 (Nos. 1 and 4) continue until 22nd July next, being six months from the death of Her late Majesty; the annuity to the Prince of Wales ceased at Her late Majesty's death; and the annuity assigned to the Princess of Wales continues to be payable to Her present Majesty during Her marriage with His present Majesty. It should be added that Her present Majesty is under the Act 26 Vict. c. 1 entitled to an annuity of 30,000*l.* in the event of widowhood.

" 2. In performing the duty entrusted to them by the House, of considering the Estimate laid before them for the future Civil List of the Sovereign (Appendix, Part VII.), your Committee have been guided to a considerable extent by the actual expenditure during the last ten years of the late reign. In the Papers laid before Parliament by command of His Majesty (Appendix, Part II.) will be found full information on this subject, of the same kind as was given on previous occasions. From this it appears that in each of the last ten years it has been necessary to supplement from the Privy Purse the amount of 172,500*l.* at which Class III. (Expenses of the Household) was fixed by the Civil List Act of 1837. The Privy Purse was enabled to make good the deficiencies on that Class owing to the Savings on the total amount of the Civil List which had accrued to it during the previous portion of the reign, as appears in Part I. of the Appendix. It has therefore not been necessary for Her late Majesty to make any application to Parliament in respect of the increased expenditure of recent years. But the fact that such increase has occurred must be carefully borne in mind in considering the amount of the new Civil List, which can no longer be supplemented from the source referred to. In the interest both of the Crown and of the Public it is essential that the former should, as has happily been the case during the late reign, avoid the necessity of special recourse to Parliament in respect of debts.

" 3. Your Committee proceed to report the results of their detailed consideration of the five classes of the new Civil List as submitted to them by His Majesty's Government (Appendix, Part VII.).

" 4. With respect to the First Class, which provides for the Privy Purse of their Majesties the King and Queen, your Committee, from the nature of the subject, have felt themselves precluded from enquiry. But having regard to precedent, they consider that they are making a reasonable proposition in recommending to the House to allot the sum of 110,000*l.* to this class, that being the amount at which the Privy Purse of King William the IV. and Queen Adelaide was fixed in 1830.

" 5. The Second Class comprehends not only the salaries of the Officers of State, but also other annual payments to persons belonging to the Court and the wages of servants. The Committee, in their enquiries into this Class, confined themselves mainly to the Officers of State, not thinking it consistent with the respect due to His Majesty to scrutinise the details of His domestic Household. The estimate of the ultimate future charge for salaries in each of the three Household Departments, submitted to the Committee by His Majesty's Government, was based upon proposals for the abolition of unnecessary offices, and for the reduction of salaries as vacancies occur. The following reduction should be mentioned as affecting Parliamentary Officers :—

Treasurer of the Household, from 904*l.* to 700*l.*
 Comptroller of the Household, from 904*l.* to 700*l.*
 Vice-Chamberlain, from 900*l.* to 700*l.*
 Parliamentary Lords-in-Waiting, from seven at 700*l.* to five at 600*l.*
 Captain of the Gentlemen-at-Arms, from 1,200*l.* to 1,000*l.*
 Captain of the Yeomen of the Guard, from 2,500*l.* to 2,000*l.*
 Master of the Horse, from 2,500*l.* to 2,000*l.*

'Class II.

"Class II. contained provision of 1,500*l.* for the Salary of the Master of the Buckhounds, and about 700*l.* for wages of the Huntsmen and Hunt Servants. Your Committee do not think it advisable that the Mastership of the Buckhounds should be continued as a Parliamentary Office, or at its present salary, nor do they think it necessary that the Royal Hunt should be maintained. They feel that it is for the Sovereign to decide whether and in what form encouragement should be given by His Majesty to any particular national sport; and they do not consider it desirable to impose on His Majesty an obligation to do so by devoting a portion of the Civil List specially to that object. They have therefore struck out from Class II. the sum of 2,200*l.* in respect of the items of 1,500*l.* and 700*l.* mentioned above; and from Class III. the sum of 4,000*l.* included therein (under the Master of the Horse's Department) for expenses of the Hunt.

"7. Your Committee recommend that provision should be made in Class II. for 'the King's Personal Staff.' This includes His Majesty's Private Secretary and Assistants, the Keeper of the Privy Purse and his Staff, and others whose services are no less necessary to His Majesty than those of the Staff in the Departments of the three Great Officers of the Household. The sum of 10,500*l.* is inserted to cover these charges.

"They recommend that the provision in Class II. for the Salaries, &c., of the Household Departments should be as follows:—

	£.
The Lord Steward's Department - - - - -	29,000
The Lord Chamberlain's Department (including the Mistress of the Robes and other Members of the Queen Consort's Court) - - -	59,500
The Master of the Horse's Department - - - - -	26,800

making, with the provision for the King's Personal Staff, a total for the Class of 125,800*l.*

"8. In the total of Class II. your Committee have included a sum to enable His Majesty to provide temporarily for the full salaries of offices which it is proposed ultimately to abolish or reduce, or for compensations on abolition, and also for the grant of pensions to servants who may gradually become incapacitated for further service. But they recommend that the Class shall be relieved from the present non-effective charge amounting to approximately 12,000*l.*, and this sum, together with such further amount, not exceeding in all 13,000*l.* per annum, as may be necessary to provide for those members of Her late Majesty's Household who are entitled to pensions, and whose services will no longer be required, should be charged on the Consolidated Fund.

"As the pensions so charged fall in, the public will reap the benefit, until the total amount of 25,000*l.* per annum has disappeared.

9. Your Committee next proceeded to inquire into the Third Class, viz., that for the expenditure in the Departments of the Lord Steward, the Lord Chamberlain, and the Master of the Horse. The amount allotted to this Class was fixed at 172,500*l.* in the last reign, and the class will in future be relieved of certain items as follows:—

"(a) £10,000 for decoration and other internal works at Windsor Castle and Buckingham Palace, transferred to the new Class IV. (paragraph 10).

"(b) £4,000 for Hunt expenses struck out (paragraph 6).

"(c) £5,000, the former provision for expenses of the Mistress of the Robes.

"(d) £3,360 formerly paid as a contribution towards 'Queen's Premiums' on Horses which your Committee recommend should in future be added to the sum hitherto provided for this purpose in the Vote for Miscellaneous Expenses, Class VII., Vote 2, of the Civil Service Estimates. It may here be noted that by the removal of this item, together with the net effect of some minor adjustments, the Civil List will be relieved to the amount of about 5,000*l.* per annum.

"After making these allowances, however, your Committee still feel that, in order to ensure that no restriction should be imposed upon the hospitality of the Sovereign, and that his comfort should not be interfered with, it is necessary that the amount allotted to this Class should be increased, and having regard to the experience of recent years they recommend that there should be provided—

	£.
"For the Lord Steward - - - - -	107,500
" " Lord Chamberlain - - - - -	44,500
" " Master of the Horse - - - - -	41,000

"Making the total of Class III. - - £. 193,000

"10. The proposed Fourth Class required special explanation. It consists of a sum of 10,000*l.* formerly included under the charges of the Lord Steward's and the Lord Chamberlain's Departments in Class III. for painting, papering, decoration, and other internal works in Windsor Castle and Buckingham Palace; and of a further sum of 10,000*l.* to provide for structural works of alteration and repair in the interiors of those Palaces, such as during the last reign have been paid for from the Vote for Royal Palaces, Class I., Vote 1, of the Civil Service Estimates. In future any works of either kind which his Majesty may command, will be carried out by the Office of Works and charged to this Class of the Civil List, and the Parliamentary Votes will be relieved of a corresponding charge estimated at 10,000*l.* a year.

"11. The

" 11. The Fifth Class is identical with the Fourth Class in the Civil List of 1837, and comprises 9,000*l.* for Royal Bounty and Special Service, and 4,200*l.* for Royal Alms and Charity, in all 13,200*l.*

" 12. Your Committee recommend that the New Civil List should be fixed according to the following Estimate :—

		£.
First Class	- - Their Majesty's Privy Purse - - -	110,000
Second Class	- - Salaries of His Majesty's Household and Retired Allowances.	125,800
Third Class	- - Expenses of His Majesty's Household - -	193,000
Fourth Class	- - Works - - - - -	20,000
Fifth Class	- - Royal Bounty, Alms, and Special Services -	13,200
Sixth Class	- - Unappropriated - - - - -	8,000
Total for the Civil List - - - £.		470,000

" 13. In the foregoing no reference has been made to the pensions granted under Sections 5 and 6 of the last Civil List Act, commonly called 'Civil List Pensions.' With regard to these no suggestion has been made for any alteration, and the Committee accordingly recommend the continuance of the present system, except that the variable amounts payable under this head (Appendix, Part III.) should no longer form a nominal class of the Civil List.

" 14. Your Committee pass to the provision to be made for other members of His Majesty's Family; and in the first place they recommend that an annuity of 20,000*l.* shall be paid out of the Consolidated Fund to His Royal Highness the Duke of Cornwall and York, who has succeeded to the Revenues of the Duchy of Cornwall (Appendix, Part VI.). They also recommend the grant of an annuity of 10,000*l.* to Her Royal Highness the Duchess of Cornwall and York during the continuance of Her marriage with the Duke of Cornwall and York.

" 15. Your Committee have carefully considered whether it would be advisable that any provision, whether immediate or contingent, should be made at the present time for those children of the Heir Apparent who may reach an age at which they may require separate establishments; but in view of the youth of their Royal Highnesses and the consequent uncertainty of the future, they do not recommend that any such provision should be made on the present occasion, and content themselves by recording the fact that nothing for this purpose is included either in the Civil List or in the annuities proposed.

" 16. Your Committee have already called attention to the fact that the annuity granted by the Prince of Wales' Children Act, 1889, ceases on 22nd July 1901. It is therefore necessary to make fresh provision for their Royal Highnesses Princess Louise (Duchess of Fife), Princess Victoria and Princess Maud (Princess Charles of Denmark). Your Committee accordingly recommend that an annuity of 18,000*l.* for their joint lives, diminishing by 6,000*l.* with each death, should, in accordance with the precedent of the Prince of Wales' Children Act, 1889, be paid to trustees by quarterly payments out of the Consolidated Fund. Out of this Fund the Sovereign, with the assent of the First Lord of the Treasury and the Chancellor of the Exchequer, should be empowered to make such assignments and in such manner to their Royal Highnesses as in His discretion He may from time to time think fit.

" 17. Your Committee further recommend that the contingent annuity of 30,000*l.* provided by the Act 26 & 27 Vict. c. 1 for Her Majesty the Queen Consort in the event of Her surviving His present Majesty, should be increased to 70,000*l.*; and that a contingent annuity of 30,000*l.* should be provided for Her Royal Highness the Duchess of Cornwall and York in the event of her surviving His Royal Highness the Duke of Cornwall and York.

" 18. The financial recommendations of the Committee may be summarised as follows :—

	£.
" 1. Civil List (paragraph 12) - - - - -	470,000
" 2. Annuity to H.R.H. the Duke of Cornwall (paragraph 14) - -	20,000
" 3. Annuity to H.R.H. the Duchess of Cornwall (paragraph 14) -	10,000
" 4. Provision for the King's Daughters (paragraph 16) - - -	18,000
" 5. Charge on Consolidated Fund for Household Pensions (paragraph 8) not exceeding - - - - -	25,000
Total - - - £.	543,000

	£.
" For the purpose of comparing this figure with the corresponding charge in the late reign, viz. (paragraph 1) - - - - -	471,000
" There should be added to the latter the sum transferred from Votes to the Civil List (paragraph 10), viz. - - - - -	10,000
	481,000
" And there should be deducted the amount of the charges of which it is proposed (paragraph 9) to relieve the Civil List, viz. - -	5,000
	476,000

	£.
"The net increase proposed is therefore - - - - -	67,000
"Falling ultimately, when the pension charge of - - - - -	25,000
"(No. 5 above) disappears, to - - - - -	<u>42,000</u>

"19. In conclusion, your Committee desire to state that they have received from those Ministers of the Crown who are Members of it all the information which they have deemed material to the objects of their Inquiry.

"March 1891."

DRAFT REPORT, proposed by Mr. *Labouchere*, read the first time, as follows:—

"1. In considering an estimate for the future Civil List of the Sovereign, your Committee have not taken into consideration the renunciation on the part of His Majesty of the revenues derived from the Crown Lands, and from certain hereditary revenues. Your Committee are of opinion that they are not in any sense the private property of the Sovereign, but they form part of the State revenues charged with the cost of the Civil Government of the country. The misconception seems to be due to the preamble of the Civil List Act of George III., in which it is set forth that His Majesty renounces them for himself, and this renunciation has been repeated in all subsequent Civil List Acts. No such renunciation is to be found in the earlier Civil List Acts, and no personal claim to them was made in these Acts.

"2. Your Committee have been guided by the expenditure during the late reign, and they have had before them papers conveying to them full information in regard to all details of that expenditure.

"3. By Act 1 Vict. c. 2, entitled 'An Act for the support of Her Majesty's Household, and the Honour and Dignity of the Crown of the United Kingdom of Great Britain and Ireland,' the sum of 385,000*l.* per annum was voted to Her Majesty for Her life.

"4. This sum was apportioned between six classes, as follows:—

	£.
"First Class.—For Her Majesty's Privy Purse - - - - -	60,000
"Second Class.—Salaries of Her Majesty's Household and Retired Allowances - - - - -	131,260
"Third Class.—Expenses of Her Majesty's Household - - - - -	172,500
"Fourth Class.—Royal Bounty Alms, Special Sources - - - - -	13,200
"Fifth Class.—Pensions to the extent of 1,200 <i>l.</i> per annum - - - - -	—
"Sixth Class.—Unappropriated Monies - - - - -	8,040
	<u>£. 385,000</u>

"5. Her Majesty also enjoyed during Her reign the net revenues of the Duchy of Lancaster. In 1838, these net revenues amounted to 5,000*l.*; in 1899, they amounted to 60,000*l.*

"6. The 9th Clause of the Act is as follows:—

"IX. Provided always, and be it enacted, That if any Saving or Surplus shall arise in any Quarter in respect of any money appropriated for defraying the Charges of any particular Class, so as that the Sum appropriated thereto shall be more than sufficient for the full and complete Payment of the Charges thereon, such quarterly Saving or Surplus shall in every such case be carried forward in the Exchequer to the Account and Credit and be applied for the Purposes of the Class in which it shall have arisen, until the Thirty-first Day of December in every Year; and whenever any such Saving or Surplus remaining at the End of the Year shall have arisen in any of the Classes of the Civil List, then it shall be lawful for the Lord High Treasurer, or Commissioners of the Treasury for the time being, or any Three or more of them, to direct the same to be applied in aid of the Charges or Expenses of any other Class (except the Fifth Class), or of any Charge or Charges upon Her Majesty's Civil List Revenues, in such manner as may, under the Circumstances, appear to be most expedient: Provided always, that the Charge upon the Fifth Class shall in no Case exceed the Sum by this Act limited for that Class.

"7. From the wording of these clauses, it would appear that the intention of the Act was that, if in any year a surplus remained in any one or more of the following classes at the end of the year, and if there was a deficit at the end of the same year in any other of these classes, the surplus was to go to make up the deficit; but that, if there was a surplus at the end of the year in one or more of these classes, and no deficit in any other of them, then the unexpended money was not to be appropriated.

"8. During Her late Majesty's reign the payments in aid of 3rd Class from the Privy Purse, Reserve Fund, and old Balances amounted to 170,256*l.* 9*s.* 4*d.*, and the payments to Her late Majesty's Privy Purse and to the Reserve Fund have amounted to 824,025*l.* 2*s.* The sum of 653,768*l.* 2*s.* 8*d.*, therefore, accrued to the Privy Purse, in consequence of amounts allocated to other Classes having been in excess of expenditure.

"9. As

"9. As it was held by the Treasury that any excess of amount allocated over expenditure in any Class could be transferred to another Class, although there might have been no deficit in the Class to which the transfer was made, there would seem no special necessity why there should be any Parliamentary assignments. Moreover, there are many items of expenditure in the respective Classes in regard to which your Committee are not prepared to express their approval.

"10. In the Departments of the Lord Steward, of the Lord Chamberlain, of the Master of the Horse, and of the Mistress of the Robes, there were during the reign of Her late Majesty, 17 paid Officials, who are termed "Political Officers." The occupants of these offices changed with a change in Her Majesty's Ministry. With one single exception, they were always selected from the Members of the House of Lords, and with very few exceptions, from such Members as were the adherents of the Ministry assuming Office. Thus the Civil List was burthened with salaries which were, to all intents and purposes, pecuniary encouragements to Members of the House of Lords to support the Ministry in Office, although an examination of the details of the expenditure in the above Departments shows that there was a staff of well paid permanent officials to administer them.

"11. The sum of 4,601*l.* was expended in the Department of the Lord Steward, and of 1,521*l.* in the Department of the Lord Chamberlain for "Ecclesiastical Salaries and Allowances." That the Sovereign should have a Chaplain or even two Chaplains of the religious denomination to which He belongs would be reasonable; but it would appear that the late Sovereign had 36 paid Chaplains, and that in other ways this money was expended in what seems to have been an endowment of the State Church of England out of public funds.

"12. The cost of the Buckhounds amounted to about 4,700*l.* per annum, exclusive of the salary of 1,500*l.* to their master, who was a "political officer." These dogs appear to have chased tame stags. It has been suggested that in lieu of these Buckhounds there should be a pack of Foxhounds. There would seem, however, no reason why a Parliamentary assignment of money should be made in order to maintain a pack of hounds either to pursue stags or foxes in Berkshire.

"13. There are many other items of expenditure in the assignments of outlay in the several Classes which appear to your Committee to be unnecessary.

"14. Your Committee therefore recommend that there be no Parliamentary assignments of specific sums to separate Classes, but that a lump sum be voted for the Civil List, leaving it to His Majesty to spend it as he deems best for the maintenance of the State and Dignity of the Crown, and the support of his household, and that in this sum a provision be included for the Privy Purse of Her Majesty the Queen.

"15. In estimating the amount of the sum, it is necessary to take into consideration that His Majesty will receive 60,000*l.* per annum from the revenues of the Duchy of Lancaster. The difference between the revenues of the Duchy of Lancaster in 1838 and 1900 are practically an addition of 55,000*l.* per annum to the Privy Purse of the Sovereign, over what was deemed an adequate provision by the Civil List Act of Queen Victoria.

"16. The household of Her Majesty the Queen will not involve any expenditure over that of Queen Victoria, for Her late Majesty maintained a household both of ladies and of gentlemen as reigning Sovereign.

"17. Your Committee, bearing in mind that a grant of 30,000*l.* per annum was made to the late Prince Consort, are of opinion that a similar grant should be included in the Civil List for the Privy Purse of Her Majesty the Queen, but that otherwise no addition is needed to the amount of the Civil List granted to Queen Victoria. They therefore recommend that His Majesty be granted a Civil List of 415,000*l.*, inclusive of 30,000*l.* per annum, as a provision for the Privy Purse of Her Majesty the Queen. They are of opinion that experience has proved that the above mentioned sum will be amply sufficient to maintain the State and Dignity of the Crown, to support His Majesty's household, and to leave an adequate surplus to cover His Majesty's private expenditure.

"18. The amount paid in retired allowances by Her late Majesty was a little over 12,000*l.* in the last year of Her reign. It is estimated that a further sum of 13,000*l.* per annum will be necessary in order to provide for those of Her late Majesty's officers and servants who will not be taken on by His Majesty. The latter amount might be legitimately provided from the Consolidated Fund, but the former amount, or a portion of it, ought to remain a charge on the Civil List, as, during the first years of His Majesty's reign, it is obvious there will be only very little, if anything, payable for retired allowances granted to His officers and servants.

"19. Your Committee have had under their consideration whether a grant should be made to their Royal Highnesses the Duke and Duchess of Cornwall. His Royal Highness the Duke receives 60,000*l.* per annum from the revenues of the Duchy of Cornwall. Your Committee are of opinion that this sum will enable him adequately to maintain the State and Dignity of the heir-presumptive of the Throne. But they recommend that a grant of 10,000*l.* per annum be made to Her Royal Highness the Duchess of Cornwall.

"20. Your Committee further recommend that a grant of 18,000*l.* per annum be made in respect to the three daughters of His Majesty, such amount being distributed between them as His Majesty may best please; but that in the event of one of their Royal Highnesses predeceasing His Majesty, such grant should be reduced by 6,000*l.*, and by 12,000*l.* in the event of two of them predeceasing His Majesty. This grant of 18,000*l.* per annum your Committee recommend on the distinct understanding that no further pecuniary demands will be made in respect to their Royal Highnesses.

"21. Yours.

" 21. Your Committee recommend that the contingent annuity of 30,000*l.* provided by the Act 26 & 27 Victoria for Her Majesty the Queen, which in the event of Her Majesty surviving His present Majesty should be increased to 50,000*l.*

" 22. In making the above recommendations, your Committee have not deemed it within the scope of their inquiry to consider whether continuance of the pomp and pride and ceremony of a Court is desirable. This question was not referred to them. They were limited by the terms of reference to the consideration of what sum was needed to keep up a Court, and to provide for the comfort of the Sovereign, on a scale such as the country has been accustomed to during the reign of a Queen, who so well maintained the State and Dignity of the Crown, and whose loss all deplore. Suggestions have been rife that the cost of living has gone up among the wealthier classes since Her late Majesty ascended the Throne. This idea seems to be due to the present ostentatious expenditure among some of those who have suddenly acquired large fortunes. But your Committee do not believe that the Sovereign would desire to enter into a monetary competition with such persons, or to encourage by His example such vainglorious prodigality on the part of His subjects. Your Committee have treated the questions referred to them in as generous a spirit as is consistent with a proper regard to the interests of the taxpayers, and they are convinced that they are acting in accordance with the wishes of His Majesty in the provision that they recommend for His Majesty's Civil List, for Her Majesty the Queen, and for His Majesty's children."

Motion made and Question proposed, that the Draft Report, proposed by the *Chairman*, be read a second time paragraph by paragraph—(*The Chairman*).—Amendment proposed to leave out the words "The Chairman" in order to insert the words "Mr. Labouchere," instead thereof,—(*Mr. Labouchere*).—Question put, That the words "The Chairman," stand part of the Question. The Committee divided:

Ayes, 14.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.

Noes, 1.

Mr. Labouchere.

Main Question put and *agreed to*.

Draft Report, proposed by the *Chairman* read a second time, paragraph by paragraph.

Paragraph 1, *agreed to*.

Paragraph 2, amended, and *agreed to*.

Paragraph 3 and 4, *agreed to*.

Paragraph 5.

Amendment proposed, in line 3, to leave out from the word "not" to the word "Household" in line 4 (both inclusive)—(*Mr. McKenna*).—Question, That the words proposed to be left out stand part of the paragraph,—put, and *agreed to*.

Another Amendment proposed, in line 7, after the word "occur" to insert the words "but in the judgment of the Committee further retrenchments in connection with offices in the Royal Household and otherwise might be made. The settlement of a new Civil List affords the proper opportunity for a thorough reconsideration of regal expenditure, and the Committee are of opinion that an inquiry should be made into the duties and emoluments of all employments in the Royal Household, with a view to determining the extent to which the charge of the Civil List might be lessened without impairing the appropriate provision for the comfort of the Sovereign and the dignity and splendour of the Court"—(*Mr. McKenna*).—Question, That those words be there inserted,—put, and *negatived*.

Paragraph as amended, *agreed to*.

Paragraph 6, amended, and *agreed to*

Paragraph 7, *agreed to*.

Paragraphs 8–10 amended, and *agreed to*

Paragraphs 11 and 12, *agreed to*.

Paragraph 13 amended, and *agreed to*.

Paragraphs 14–17, *agreed to*.

Paragraph 18, amended, and *agreed to*.

Paragraph 19, *agreed to*.

Question, That this Report, as amended, be the Report of the Committee to the House.

Ordered to Report, together with an Appendix.

A P P E N D I X.

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ACCOUNT I.

An Account showing the Amount appropriated to the uses of Her late Majesty's Civil List for each Year (except 1837) of Her Reign, together with the Charges authorised.

Year.	Sum appropriated by Civil List Act to each Class.	Charge authorised.						Paid to Her Majesty's Privy Purse.	Paid to Reserve Fund.	Payments in aid of 3rd Class from Privy Purse, Reserve Fund, and old Balances.																	
		1st Class.			2nd Class.						3rd Class.			4th Class.			6th Class.			Totals.							
		£.	s.	d.	£.	s.	d.				£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.		
1838	-	-	-	60,000	-	-	131,260	-	-	172,218	16	3	12,200	-	-	3,072	17	9	378,751	14	-	6,248	6	-	-	-	-
1839	-	-	-	"	"	"	131,260	-	-	168,965	4	11	13,200	-	-	2,145	10	1	375,570	15	-	3,534	15	1	5,894	9	11
1840	-	-	-	"	"	"	130,461	11	11	172,500	-	-	"	"	"	3,984	-	8	380,145	12	7	798	8	1	4,035	19	4
1841	-	-	-	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	7,000	-	-	2,065	3	3
1842	-	-	-	"	"	"	131,334	12	7	169,999	15	9	"	"	"	4,266	9	-	378,800	17	4	-	-	-	1,125	3	10
1843	-	-	-	"	"	"	131,260	-	-	168,771	3	7	"	"	"	1,994	14	11	375,225	18	6	5,000	-	-	4,774	1	6
1844	-	-	-	"	"	"	130,191	3	5	159,390	15	-	"	"	"	1,700	-	-	364,481	18	5	15,518	1	7	5,000	-	-
1845	-	-	-	"	"	"	129,533	15	11	143,717	5	8	"	"	"	1,700	-	-	348,151	1	7	33,024	17	9	3,824	-	8
1846	-	-	-	"	"	"	130,524	16	2	142,158	11	2	"	"	"	1,700	-	-	347,583	7	4	37,416	12	8	-	-	-
1847	-	-	-	"	"	"	130,127	10	1	147,191	14	5	"	"	"	1,700	-	-	352,219	4	6	32,780	15	6	-	-	-
1848	-	-	-	"	"	"	129,031	14	4	146,689	8	6	"	"	"	1,700	-	-	350,621	2	10	34,378	17	2	-	-	-
1849	-	-	-	"	"	"	128,514	2	11	149,569	17	4	"	"	"	1,700	-	-	352,984	-	3	27,676	12	10	4,339	6	11
1850	-	-	-	"	"	"	127,828	18	9	158,472	12	11	"	"	"	1,700	-	-	361,201	11	8	23,798	8	4	-	-	-
1851	-	-	-	"	"	"	128,139	13	1	157,132	13	10	"	"	"	1,700	-	-	360,172	6	11	24,827	13	1	-	-	-
1852	-	-	-	"	"	"	127,660	9	1	161,878	17	4	"	"	"	1,700	-	-	364,439	6	5	20,560	13	7	-	-	-
1853	-	-	-	"	"	"	127,772	10	6	160,193	8	1	"	"	"	1,700	-	-	371,865	18	7	13,134	1	5	-	-	-
1854	-	-	-	"	"	"	126,700	2	2	165,510	11	8	"	"	"	1,700	-	-	367,110	13	10	17,889	6	2	-	-	-
1855	-	-	-	"	"	"	126,731	15	8	173,007	10	6	"	"	"	2,872	6	2	375,811	12	4	6,168	17	-	3,019	10	8
1856	-	-	-	"	"	"	125,441	17	2	192,985	17	10	"	"	"	1,700	-	-	393,327	15	-	-	-	-	Cr. 5,000	-	-
1857	-	-	-	"	"	"	125,137	5	-	173,038	2	2	"	"	"	3,700	-	-	377,075	7	2	4,596	17	10	-	-	-

[illegible]

*The accounts for 1841 are not forthcoming.

ACCOUNT I. (continued).

Year.	Sum appropriated by Civil List Act to each Class.	Charge authorised.										Totals.	Paid to Her Majesty's Privy Purse.	Paid to Reserve Fund.	Payments in aid of 3rd Class from Privy Purse, Reserve Fund, and old Balances.	
		1st Class.	2nd Class.	3rd Class.	4th Class.	6th Class.	Totals.									
		£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
1886	-	60,000	125,328 5 5	182,545 10 2	13,200 - -	1,700 - -	382,771 15 7	2,928 4 5	-	-	-	-	-	-	-	
1887	-	"	129,013 11 7	223,689 2 3	"	1,700 - -	427,602 13 10	-	-	-	-	-	-	-	42,602 13 10	
1888	-	"	128,645 10 8	180,867 10 6	"	1,700 - -	384,413 1 2	586 18 10	-	-	-	-	-	-	-	
1889	-	"	130,354 15 -	196,717 16 4	"	1,700 - -	401,972 11 4	-	-	-	-	-	-	-	16,972 11 4	
1890	-	"	130,043 14 4	186,116 6 5	"	1,700 - -	391,060 - 9	-	-	-	-	-	-	-	6,060 - 9	
1891	-	"	129,323 1 6	190,943 5 9	"	1,700 - -	395,166 7 3	-	-	-	-	-	-	-	10,166 7 3	
1892	-	"	129,233 8 8	185,347 1 8	"	1,700 - -	389,480 10 4	-	-	-	-	-	-	-	4,480 10 4	
1893	-	"	129,349 1 11	199,333 19 4	"	1,700 - -	403,583 1 3	-	-	-	-	-	-	-	18,583 1 3	
1894	-	"	130,300 13 7	196,864 5 8	"	1,700 - -	402,064 19 3	-	-	-	-	-	-	-	17,064 19 3	
1895	-	"	129,792 - -	194,648 19 7	"	1,700 - -	399,340 19 7	-	-	-	-	-	-	-	14,340 19 7	
1896	-	"	128,259 10 7	189,194 14 11	"	1,700 - -	392,354 5 6	-	-	-	-	-	-	-	7,354 5 6	
1897	-	"	129,928 16 1	190,830 3 2	"	1,700 - -	395,658 19 3	-	-	-	-	-	-	-	10,657 19 3	
1898	-	"	127,508 4 9	190,419 14 10	"	1,700 - -	392,897 19 7	-	-	-	-	-	-	-	7,887 19 7	
1899	-	"	125,968 9 3	188,216 12 2	"	1,700 - -	399,085 1 5	-	-	-	-	-	-	-	14,085 1 5	
		Totals												764,493 18 2	59,531 3 10	170,256 9 4

NOTE.—For Class V. (Civil List Pensions) see Account III., page 12.

ACCOUNT II.

DETAILED ACCOUNTS OF CIVIL LIST EXPENDITURE,
1st January 1890 to 31st December 1899.

AN ACCOUNT showing the PAYMENTS which have been made in respect of the CHARGE on the CIVIL LIST,
between 1st January 1890 and 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
FIRST CLASS.										
HIS MAJESTY'S PRIVY PURSE - - -	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
SECOND CLASS.										
SALARIES OF HIS MAJESTY'S HOUSEHOLD AND RETIRED ALLOWANCES :										
In the Department of the Lord Steward - - - - -	34,336	34,268	34,670	34,585	35,153	35,240	34,211	34,706	32,415	31,330
In the Department of the Lord Chamberlain - - - - -	66,123	65,029	64,483	64,413	64,737	64,623	63,614	64,325	64,720	64,182
In the Department of the Master of the Horse - - - - -	27,943	28,384	28,401	28,657	28,667	28,185	28,741	29,275	28,779	28,946
In the Department of the Mistress of the Robes - - - - -	1,642	1,642	1,679	1,744	1,744	1,744	1,694	1,623	1,654	1,511
TOTAL SALARIES, &c. - - - £.	130,044	129,323	129,233	129,349	130,301	129,792	128,260	129,929	127,568	125,968
THIRD CLASS.										
EXPENSES OF HIS MAJESTY'S HOUSEHOLD :										
In the Department of the Lord Steward	90,940	97,250	92,241	100,563	96,278	97,168	95,256	95,525	96,521	99,366
In the Department of the Lord Cham- berlain - - - - -	44,468	45,017	43,213	47,193	48,048	46,340	43,751	49,556	44,522	49,199
In the Department of the Master of the Horse - - - - -	46,422	44,021	45,145	47,417	47,596	45,458	46,121	41,679	45,373	45,259
In the Department of the Mistress of the Robes - - - - -	4,261	4,655	4,748	4,131	4,942	5,693	4,066	4,070	4,004	4,394
TOTAL EXPENSES - - - £.	186,116	190,943	185,347	199,334	196,864	194,649	189,194	190,830	190,420	198,217
FOURTH CLASS.										
ROYAL BOUNTY, ALMS, AND SPECIAL SER- VICES - - - - -	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200
SIXTH CLASS.										
UNAPPROPRIATED - - - - -	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
GRAND TOTAL - - - £.	391,060	395,166	389,580	403,583	402,065	399,085	392,354	395,659	392,388	399,085

ACCOUNT II. (continued).

APPENDIX A.

DETAILS of the CHARGE ON CLASS II. of the CIVIL LIST as it stood on 1st January 1900.

		£.	£.	£.
DEPARTMENT OF THE LORD STEWARD :				
POLITICAL OFFICERS :—Lord Steward	- - - - -	2,000		
Treasurer	- - - - -	904		
Comptroller	- - - - -	904		
			3,808	
Household Salaries and Allowances	- - - - -		18,989	
Ecclesiastical Salaries and Allowances	- - - - -		4,601	
Non-Effective Charge	- - - - -		4,331	
TOTAL, LORD STEWARD		£.	—	31,729
DEPARTMENT OF THE LORD CHAMBERLAIN :				
POLITICAL OFFICERS :—Lord Chamberlain	- - - - -	2,000		
Vice Chamberlain	- - - - -	900		
Seven Lords-in-Waiting at 700 <i>l.</i>	- - - - -	4,900		
Captain of Yeomen of Guard	- - - - -	1,200		
Captain of Gentlemen-at-Arms	- - - - -	1,200		
			10,200	
Ladies of the Court	- - - - -		9,100	
Household Salaries and Allowances	- - - - -		33,437	
Heralds	- - - - -		1,274	
Medical Staff	- - - - -		1,598	
Literature and Art	- - - - -		3,767	
Ecclesiastical Salaries and Allowances	- - - - -		1,521	
Non-effective Charge	- - - - -		3,397	
TOTAL, LORD CHAMBERLAIN		£.	—	64,294
DEPARTMENT OF THE MASTER OF THE HORSE :				
POLITICAL OFFICERS :—Master of the Horse	- - - - -	2,500		
Master of the Buckhounds	- - - - -	1,500		
			4,000	
Salaries and Allowances	- - - - -		20,686	
Non-Effective Charge	- - - - -		4,121	
TOTAL, MASTER OF THE HORSE		£.	—	28,777
DEPARTMENT OF THE MISTRESS OF THE ROBES :				
POLITICAL OFFICER :—Mistress of the Robes	- - - - -		500	
Salaries and Allowances	- - - - -		884	
Non-Effective Charge	- - - - -		102	
TOTAL, MISTRESS OF THE ROBES		£.	—	1,486
GRAND TOTAL, CHARGE ON CLASS II.			£.	126,286

ACCOUNT II. (continued).

APPENDIX B.

DETAILS of the EXPENDITURE CHARGED to CLASS III. of the CIVIL LIST.

1.—DEPARTMENT OF THE LORD STEWARD.

A RETURN of EXPENSES incurred in the DEPARTMENT of the LORD STEWARD, showing the AMOUNT expended in each year under various headings from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
BUCKINGHAM PALACE - - - - -	7,882	9,309	6,017	9,998	8,325	8,347	7,151	17,197	8,587	8,046
WINDSOR CASTLE - - - - -	17,736	19,445	17,712	18,758	18,480	19,941	17,262	18,499	16,817	20,598
OSBORNE - - - - -	12,342	12,652	13,677	13,121	14,200	12,705	13,009	13,252	13,098	12,513
BALMORAL - - - - -	11,582	12,505	11,830	12,041	11,806	11,213	11,894	9,191	9,866	10,580
HER MAJESTY'S FOREIGN VISIT - - -	1,933	3,102	2,393	2,795	2,432	3,114	3,459	3,504	3,797	4,383
ST. JAMES' PALACE - - - - -	6,153	6,370	6,401	5,406	5,131	5,421	1,425	—	—	—
BOARD WAGES - - - - -	7,322	7,328	7,590	7,340	7,370	7,300	7,295	7,263	7,428	7,446
TRAVELLING - - - - -	1,112	1,146	963	833	689	739	661	1,205	852	655
FROGMORE - - - - -	150	162	181	173	210	201	165	184	199	211
CLAREMONT - - - - -	126	43	3	2	2	25	2	1	1	3
ALDERSHOT - - - - -	86	89	99	99	218	268	109	130	245	104
HOLYROOD - - - - -	124	133	125	113	113	93	90	91	106	94
ASCOT (2) AND KENT HOUSE (1) - - -	—	—	—	258 ⁽¹⁾	—	—	—	—	10 ⁽²⁾	—
ROYAL GARDENS - - - - -	10,613	11,224	11,641	11,142	11,637	11,519	12,343	13,085	13,070	13,239
ROYAL LAUNDRY - - - - -	2,433	2,339	2,273	3,068	4,031	4,786	4,128	3,533	3,406	3,451
ELECTRIC LIGHTING - - - - -	826	1,073	952	1,900	656	911	1,143	1,444	840	1,583
ROYAL MAUNDY - - - - -	222	225	228	231	234	237	240	243	247	250
ROYAL YACHT - - - - -	958	1,286	545	672	591	608	670	612	567	631
VISIT OF KING OF SIAM - - - - -	—	—	—	—	—	—	—	944	—	—
SUNDRIES - - - - -	7,550	9,327	8,168	11,795	9,553	9,923	14,830	29,994	16,905	15,584
INCOME TAX - - - - -	2,150	2,150	2,150	2,419	2,777	2,867	2,867	2,867	2,867	2,867
GROSS TOTAL - - -	91,300	99,908	92,968	102,169	98,505	100,218	98,743	122,189	98,843	102,248
LESS SUMS RECEIVED IN AID - - -	360	2,658	727	1,576	2,227	3,060	3,492	27,664	2,322	2,883
NET TOTAL - - -	90,940	97,250	92,241	100,593	96,278	97,158	95,256	95,525	96,521	99,365

ACCOUNT II. (continued).

APPENDIX B.

2.—DEPARTMENT OF THE LORD CHAMBERLAIN.

A RETURN of EXPENSES incurred in the DEPARTMENT of the LORD CHAMBERLAIN, showing the amount expended in each year under various headings from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
ORDINARIES:										
BUCKINGHAM PALACE - - - -	10,014	9,966	9,909	10,928	9,917	9,354	8,643	13,378	7,816	9,321
WINDSOR CASTLE AND LODGES - - -	15,174	11,926	12,640	12,306	14,806	15,048	14,503	14,022	14,404	15,258
VISIT OF GERMAN EMPEROR - - -	—	1,766	—	—	—	—	—	—	—	465
HOLYROOD	647	586	690	846	751	893	972	861	687	803
MARRIAGE OF (1) PRINCESS LOUISE OF WALES, (2) DUKE OF YORK.	—	(1) 575	—	(2) 1,839	—	—	—	—	—	—
FUNERAL OF (1) DUKE OF CLARENCE, (2) DUCHESS OF TECK.	—	—	(1) 514	—	—	—	—	(2) 680	—	—
MEDICAL ALLOWANCES - - - -	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150
ALDERSHOT AND CLAREMONT - - -	341	521	623	327	612	426	499	502	465	592
ROYAL LAUNDRY (MOIETY OF EXPENSES) -	2,438	2,339	2,273	2,370	2,297	2,308	1,979	1,682	1,618	1,663
ELECTRIC LIGHTING AND TELEPHONE -	275	405	390	753	337	463	479	656	264	693
REPAIRING ROYAL VAULT - - - -	—	—	—	—	—	—	—	—	—	1,000
HER MAJESTY'S FOREIGN VISIT - - -	749	2,385	2,761	963	2,518	2,566	2,123	3,455	3,551	3,771
SUNDRIES - - - - -	7,979	10,352	7,727	3,816	9,125	8,199	7,340	19,984	9,520	10,081
TOTAL - - -	39,767	42,971	39,677	41,249	42,513	41,397	38,693	57,850	40,475	45,917
INTERIOR WORKS:										
BUCKINGHAM PALACE - - - -	2,983	2,370	2,173	4,203	3,580	2,917	3,090	3,562	2,074	1,356
WINDSOR CASTLE - - - - -	2,442	2,311	2,002	2,109	2,120	2,206	1,969	1,993	2,284	1,539
ST. JAMES' PALACE - - - - -	—	—	374	—	—	—	—	—	—	—
MARRIAGE OF PRINCESS MAUD OF WALES -	—	—	—	—	—	—	1,337	—	—	—
FUNERAL OF PRINCE HENRY OF HATTENBURG.	—	—	—	—	—	—	933	—	—	—
TOTAL - - -	5,425	4,681	4,549	6,312	5,712	5,123	7,349	5,765	4,358	3,394
TOTAL ORDINARIES - - - - -	39,767	42,971	39,677	41,249	42,513	41,397	38,693	57,850	40,475	45,917
TOTAL INTERIOR WORKS - - - - -	5,425	4,681	4,549	6,312	5,712	5,123	7,349	5,765	4,358	3,394
INCOME TAX - - - - -	1,050	1,050	1,050	1,181	1,356	1,400	1,400	1,400	1,400	1,400
GROSS TOTAL - - -	46,242	48,702	45,276	48,742	49,581	47,920	47,442	65,015	46,233	50,711
LESS SUMS RECEIVED IN AID - - -	1,749	3,885	2,063	1,549	1,533	1,580	3,691	15,459	1,711	1,512
NET TOTAL - - -	44,493	45,917	43,213	47,193	41,048	46,340	43,751	49,556	44,522	49,199

ACCOUNT II. (continued).

APPENDIX B.

3.—DEPARTMENT OF THE MASTER OF THE HORSE.

A RETURN of EXPENSES incurred in the DEPARTMENT of the MASTER OF THE HORSE, showing the Amount Expended in each Quarter under various headings from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
LIVERIES - - - - -	6,088	5,860	6,890	5,508	6,215	5,747	6,529	8,979	6,103	5,725
FORAGE - - - - -	6,438	6,801	7,421	7,708	7,242	4,606	5,306	5,522	5,280	5,806
FARRIERY - - - - -	1,117	1,083	1,125	1,043	1,035	1,058	1,058	1,106	1,070	1,367
HORSES - - - - -	3,112	2,276	1,577	1,628	3,032	5,501	4,743	4,144	4,712	4,742
CARRIAGES - - - - -	2,096	2,546	2,480	2,154	2,363	2,170	2,118	5,429	3,246	2,441
HARNES AND SADDLERY - - - -	1,226	1,292	1,870	1,931	1,060	1,893	1,653	5,302	861	1,411
SUNDRY EXPENSES - - - - -	4,841	4,382	4,407	4,592	4,350	4,411	4,606	6,166	4,506	4,467
TRAVELLING EXPENSES - - - -	8,834	10,816	9,212	9,833	10,965	9,694	10,230	14,202	9,131	9,774
DITTO - - H.M.'s FOREIGN VISIT	1,319	727	774	1,191	1,186	1,139	1,015	1,003	1,390	1,298
STUD AND PARK EXPENSES - - - -	5,287	4,636	3,295	5,426	4,123	3,490	2,629	2,575	2,771	2,364
ROYAL HUNT EXPENSES - - - - -	4,368	4,000	4,279	4,503	4,183	4,000	4,182	3,637	4,000	3,533
QUEEN'S PREMIUMS FOR STUD HORSES -	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	2,310
UPHOLSTERY - - - - -	979	394	1,054	439	1,570	498	1,411	588	1,082	979
INCOME TAX - - - - -	988	988	988	1,111	1,276	1,317	1,317	1,317	1,317	1,317
GROSS TOTAL - - -	49,653	49,160	48,182	50,472	51,965	48,884	50,156	63,670	48,829	47,089
LESS SUMS RECEIVED IN AID -	3,231	5,139	3,037	3,055	4,209	3,426	4,606	21,991	3,456	1,330
NET TOTAL - - -	46,422	44,021	45,145	47,417	47,596	45,458	46,121	41,679	45,373	45,259

4.—DEPARTMENT OF THE MISTRESS OF THE ROBES.

A RETURN of the EXPENSES incurred in the DEPARTMENT of the MISTRESS OF THE ROBES, in each year from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
MISTRESS OF THE ROBES—BILLS - -	4,133	4,530	4,623	3,991	4,781	5,526	3,999	3,903	3,337	4,227
INCOME TAX - - - - -	125	125	125	140	161	167	167	167	167	167
TOTAL - - -	4,258	4,655	4,748	4,131	4,942	5,693	4,066	4,070	4,004	4,394

ACCOUNT II. (continued).

APPENDIX C.

THE LORD CHAMBERLAIN'S DEPARTMENT.

APPROXIMATE ANALYSIS OF EXPENDITURE at BUCKINGHAM PALACE and WINDSOR CASTLE under the head of "ORDINARIES."

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
BUCKINGHAM PALACE:										
Bills - - - -	£. 7,845	£. 7,815	£. 7,525	£. 8,570	£. 6,845	£. 6,584	£. 5,916	£. 10,219	£. 5,679	£. 7,080
Wage and Incidents - - -	2,220	2,188	1,999	2,283	2,331	2,261	2,293	2,299	2,170	2,202
TOTAL - - - £.	10,065	10,003	9,524	10,853	9,176	8,845	8,209	12,518	7,849	9,282
WINDSOR CASTLE:										
Bills - - - -	11,215	7,705	7,678	7,577	9,416	9,804	9,320	8,942	9,516	10,172
Wages and Incidents - - -	3,979	4,215	4,560	4,568	4,710	4,974	4,885	4,861	4,862	5,184
TOTAL - - - £.	15,194	11,920	12,238	12,145	14,126	14,778	14,105	13,803	14,378	15,356

Note.—These items refer mainly to the supply and maintenance of furniture and to internal decorations, other than structural works.

Lord Chamberlain's Office,
March 1901.

ACCOUNT III.

CIVIL LIST PENSIONS.

(Class V. of the Civil List.)

STATEMENT of Amounts issued from the Exchequer in each year of Her late Majesty's Reign.

Year.	Amount.	Year.	Amount.
	£. s. d.		£. s. d.
Year ending 5th January, 1838 -	Nil.	Year ending 31st March, 1870 -	20,941 4 6
" " 1839 -	621 4 2	" " 1871 -	21,525 1 7
" " 1840 -	1,545 16 3	" " 1872 -	21,238 17 9
" " 1841 -	2,742 17 9	" " 1873 -	21,909 19 3
" " 1842 -	4,022 3 11	" " 1874 -	21,517 10 7
" " 1843 -	5,120 - -	" " 1875 -	20,963 14 8
" " 1844 -	5,306 17 4	" " 1876 -	21,841 4 6
" " 1845 -	6,284 13 5	" " 1877 -	21,709 19 9
" " 1846 -	7,165 - -	" " 1878 -	21,754 17 9
" " 1847 -	8,051 4 8	" " 1879 -	22,107 15 6
" " 1848 -	8,982 10 -	" " 1880 -	22,467 10 5
" " 1849 -	10,245 - -	" " 1881 -	22,629 7 11
" " 1850 -	11,600 - -	" " 1882 -	22,589 17 7
" " 1851 -	11,481 2 2	" " 1883 -	23,540 19 1
" " 1852 -	12,730 - -	" " 1884 -	23,714 4 6
" " 1853 -	13,588 15 -	" " 1885 -	24,072 9 9
" " 1854 -	14,572 10 -	" " 1886 -	25,020 2 4
Quarter to 5th April, 1854 -	3,842 10 -	" " 1887 -	25,065 8 2
Year ending 31st March, 1855 -	15,310 - -	" " 1888 -	25,470 - 2
" " 1856 -	11,457 10 -	" " 1889 -	25,554 19 11
" " 1857 -	16,532 10 -	" " 1890 -	25,660 16 1
" " 1858 -	16,257 11 -	" " 1891 -	25,060 18 3
" " 1859 -	18,225 - -	" " 1892 -	24,591 17 3
" " 1860 -	18,260 - -	" " 1893 -	22,953 17 3
" " 1861 -	18,160 - -	" " 1894 -	22,300 19 11
" " 1862 -	19,260 10 10	" " 1895 -	22,774 3 1
" " 1863 -	20,327 18 8	" " 1896 -	23,022 3 6
" " 1864 -	20,843 13 6	" " 1897 -	22,578 13 7
" " 1865 -	21,313 - 5	" " 1898 -	23,269 7 2
" " 1866 -	21,498 5 1	" " 1899 -	23,773 10 8
" " 1867 -	22,052 10 -	" " 1900 -	24,059 19 4
" " 1868 -	20,721 5 -		
" " 1869 -	21,629 13 -	TOTAL - - -	1,125,453 3 11

ACCOUNT IV.

WOODS, FORESTS, AND LAND REVENUES OF THE CROWN.

STATEMENT of Gross Income, Gross Expenditure, and Payments into the Exchequer out of the Net Income for each year from January 5, 1837 to March 31, 1900.

YEAR ENDED—	Gross Income.		Gross Expenditure (see note *.)		Payments into Exchequer out of Net Income.		Vote for Office Expenses (actual expenditure).		Net Contribution to Revenue, subject to reduction by the Amounts stated in note †.	
	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.
* 5th January—										
1838 - - - -	208,248	6 5	147,992	16 4	—		—		—	
1839 - - - -	319,627	7 6	150,981	10 -	180,000	- -	—		—	
1840 - - - -	319,865	4 3	183,327	- 6	160,000	- -	—		—	
1841 - - - -	342,080	7 4	176,570	9 3	167,500	- -	—		—	
1842 - - - -	349,401	17 6	198,686	14 -	162,000	- -	—		—	
1843 - - - -	318,960	4 11	188,952	5 6	133,000	- -	—		—	
1844 - - - -	339,643	5 8	165,080	13 11	117,500	- -	—		—	
1845 - - - -	335,624	18 4	171,013	9 8	155,000	- -	—		—	
1846 - - - -	317,268	19 9	175,202	1 3	120,000	- -	—		—	
1847 - - - -	331,682	16 10	124,023	3 -	120,000	- -	—		—	
1848 - - - -	325,002	3 5	244,919	9 6	77,000	- -	—		—	
One Quarter to 31st March, 1848 - - - -	91,959	8 5	54,764	8 11	—		—		—	
Year to 31st March—										
1849 - - - -	340,275	5 1	207,485	10 8	81,000	- -	—		—	
1850 - - - -	349,097	5 2	192,102	17 11	200,000	- -	—		—	
1851 - - - -	347,356	1 2	179,179	16 8	160,000	- -	—		—	
1852 - - - -	367,489	17 1	150,898	10 2	190,000	- -	—		—	
1853 - - - -	382,396	17 3	101,918	11 6	252,000	- -	20,645	- -	231,355	- -
1854 - - - -	387,417	17 7	131,606	9 8	395,888	9 3	22,329	- -	373,559	- -
1855 - - - -	383,756	15 1	122,132	16 3	272,571	16 8	22,846	- -	249,726	- -
1856 - - - -	410,329	12 -	132,580	5 3	281,515	15 9	21,862	- -	259,654	- -
1857 - - - -	445,688	8 10	169,094	17 2	284,857	1 6	21,664	- -	263,193	- -
1858 - - - -	418,199	8 1	145,930	15 -	276,654	4 1	23,145	- -	253,509	- -
1859 - - - -	417,868	19 5	132,648	12 -	280,040	9 5	22,989	- -	257,051	- -
1860 - - - -	415,358	17 4	117,873	7 5	284,479	5 8	23,514	- -	260,965	- -
1861 - - - -	411,444	16 8	123,687	19 7	290,568	4 7	26,783	- -	263,785	- -
1862 - - - -	417,440	8 4	134,924	3 6	295,000	- -	25,108	- -	269,892	- -
1863 - - - -	432,449	2 1	125,790	17 1	300,000	- -	26,738	- -	273,262	- -
1864 - - - -	425,766	15 5	123,206	17 2	305,000	- -	26,839	- -	278,161	- -
1865 - - - -	441,620	3 9	122,048	12 6	310,000	- -	27,274	- -	282,726	- -
1866 - - - -	449,677	8 3	116,523	4 1	320,000	- -	26,614	- -	293,386	- -
1867 - - - -	432,456	3 7	97,347	15 9	330,000	- -	28,625	- -	301,373	- -
1868 - - - -	449,252	6 10	95,780	10 9	345,000	- -	24,840	- -	320,160	- -

* Down to 1852 the gross expenditure included (1) the office expenses, shown for later years in a separate column; (2) the maintenance of the London parks, &c., and occasionally the cost of buildings, now voted in Supply. The former may be taken at about 20,000*l.* per annum throughout; the latter amounted in 1837–38 to about 60,000*l.* In years prior to 1852, therefore, an addition of about 60,000*l.* should be made to the payments into Exchequer in order to give the net contribution to Revenue.

ACCOUNT IV. (continued).

Year ended—	Gross Income.		Gross Expenditure, including Office Expenses until 1852.		Payments into Exchequer out of Net Income.		Vote for Office Expenses (actual expenditure).		Net Contribution to Revenue, subject to reduction by the Amounts stated in note †.	
31st March—	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.
1869 - - - -	446,173	14 5	88,206	3 10	380,000	- -	24,336	- -	335,664	- -
1870 - - - -	447,723	11 4	87,590	10 6	375,000	- -	24,299	- -	350,701	- -
1871 - - - -	446,151	16 10	80,774	17 10	385,000	- -	23,244	- -	361,756	- -
1872 - - - -	446,800	15 11	86,597	11 6	375,000	- -	24,277	- -	350,723	- -
1873 - - - -	458,903	3 4	80,448	7 1	375,000	- -	23,152	- -	351,848	- -
1874 - - - -	463,241	9 3	78,341	11 7	375,000	- -	22,667	- -	352,333	- -
1875 - - - -	469,090	17 6	76,145	- 6	385,000	- -	23,619	- -	361,381	- -
1876 - - - -	479,674	18 1	75,857	14 8	395,000	- -	23,515	- -	371,485	- -
1877 - - - -	488,294	14 6	83,201	11 4	410,000	- -	24,221	- -	385,779	- -
1878 - - - -	490,819	15 7	87,088	17 9	410,000	- -	23,149	- -	386,851	- -
1879 - - - -	489,448	11 9	88,400	11 10	410,000	- -	21,789	- -	388,211	- -
1880 - - - -	470,216	13 11	83,467	9 5	390,000	- -	22,079	- -	267,921	- -
1881 - - - -	463,437	14 7	91,185	9 -	390,000	- -	21,914	- -	368,086	- -
1882 - - - -	473,001	- 6	97,228	5 2	380,000	- -	21,774	- -	358,226	- -
1883 - - - -	491,101	14 7	97,354	16 11	380,000	- -	22,550	- -	357,450	- -
1884 - - - -	498,252	14 6	113,784	8 4	380,000	- -	22,800	- -	357,200	- -
1885 - - - -	483,305	19 1	99,734	19 -	380,000	- -	23,292	- -	356,708	- -
1886 - - - -	477,820	- 5	103,384	17 4	380,000	- -	22,605	- -	357,395	- -
1887 - - - -	472,450	6 11	97,123	16 3	370,000	- -	23,015	- -	346,985	- -
1888 - - - -	507,427	17 5	94,739	5 -	390,000	- -	23,750	- -	366,250	- -
1889 - - - -	506,828	- 6	91,776	15 -	430,000	- -	24,079	- -	405,921	- -
1890 - - - -	507,319	7 6	90,079	1 9	430,000	- -	26,386	- -	403,614	- -
1891 - - - -	515,737	3 10	87,121	19 6	430,000	- -	25,152	- -	404,848	- -
1892 - - - -	526,340	3 4	95,095	12 2	430,000	- -	22,108	- -	407,892	- -
1893 - - - -	515,596	2 5	94,981	19 9	430,000	- -	21,302	- -	408,698	- -
1894 - - - -	519,074	3 3	104,624	13 1	420,000	- -	20,625	- -	399,375	- -
1895 - - - -	518,819	8 6	105,967	1 10	410,000	- -	20,624	- -	389,376	- -
1896 - - - -	519,067	14 8	103,573	5 2	415,000	- -	19,260	- -	395,740	- -
1897 - - - -	528,545	3 8	108,142	9 8	415,000	- -	19,532	- -	395,468	- -
1898 - - - -	552,651	16 8	109,491	12 -	415,000	- -	19,456	- -	395,544	- -
1899 - - - -	561,515	6 7	111,780	2 -	430,000	- -	20,476	- -	409,524	- -
1900 - - - -	574,083	12 5	114,375	9 8	450,000	- -	20,308	- -	429,692	- -

† In addition to the sums added in Column 4, being the expenditure from the Vote for the Office of Woods, other expenses fall upon Votes of Parliament in connection with that Department, viz., for pensions, stationery, and printing, office accommodation, and legal expenses in Scotland. These figures cannot be given prior to the year 1878-79; but for that and subsequent years they have been collected by the Comptroller and Auditor-General in connection with his Reports on the Appropriation Accounts, with the following results:

	£.		£.
1878-79 - - - -	7,498	1889-90 - - - -	6,801
1879-80 - - - -	8,206	1890-91 - - - -	6,916
1880-81 - - - -	7,352	1891-92 - - - -	7,606
1881-82 - - - -	8,253	1892-93 - - - -	8,341
1882-83 - - - -	6,677	1893-94 - - - -	8,716
1883-84 - - - -	7,868	1894-95 - - - -	9,872
1884-85 - - - -	6,264	1895-96 - - - -	9,839
1885-86 - - - -	7,458	1896-97 - - - -	8,091
1886-87 - - - -	7,986	1897-98 - - - -	8,816
1887-88 - - - -	9,039	1898-99 - - - -	8,741
1888-89 - - - -	8,555	1899-1900 - - - -	8,094

The net receipts should, therefore, be reduced by a further sum averaging about 9,000*l.* a year.

ACCOUNT V.

SMALL BRANCHES OF HEREDITARY REVENUE.

CERTAIN small branches of Hereditary Revenue was kept apart from the surrender of Hereditary Revenues by George III. and George IV. in return for the grant of a fixed Civil List. These Revenues consisted of proceeds of intestate estates, sundry fines, small surpluses derived from the Channel Islands, and Droits of Admiralty, &c. They were enjoyed by George III. and George IV. in addition to the Civil List paid to them from the Exchequer. William IV. surrendered these items of Revenue together with the other Hereditary Revenues, and Her late Majesty did the same. They stand, however, in the same position as the Land Revenues, having been only surrendered for the life of the Sovereign.

	Exchequer Receipts.	Less Salary, &c., of Receiver of Hereditary Revenue paid from Votes.	Net Receipts.
Year ended 5th January:—	£. s. d.	£. s. d.	£. s. d.
1838 - - - - -	5,067 11 10	—	5,067 11 10
1839 - - - - -	4,575 6 6	—	4,575 6 6
1840 - - - - -	18,601 5 11	—	18,601 5 11
1841 - - - - -	4,519 4 8	—	4,519 4 8
1842 - - - - -	5,562 14 11	—	5,562 14 11
1843 - - - - -	4,277 9 2	—	4,277 9 2
1844 - - - - -	5,440 11 7	—	5,440 11 7
1845 - - - - -	40,697 9 3	—	40,697 9 3
1846 - - - - -	56,104 16 -	—	56,104 16 -
1847 - - - - -	24,047 3 6	—	24,047 3 6
1848 - - - - -	8,187 6 3	—	8,187 6
1849 - - - - -	9,202 8 9	—	9,202 8 9
1850 - - - - -	42,342 7 5	—	42,342 7 5
1851 - - - - -	8,863 6 -	—	8,863 6 -
1852 - - - - -	25,826 6 1	—	25,826 6 1
1853 - - - - -	14,850 16 10	—	14,850 16 10
1854 - - - - -	16,669 13 1	—	16,669 13 1
Quarter to 5th April 1854 - -	1,408 3 8	—	1,408 3 8
Year to 31st March:—			
1855 - - - - -	8,902 8 5	—	8,902 8 5
1856 - - - - -	59,664 - 3	—	59,664 - 3
1857 - - - - -	13,760 14 7	—	13,760 14 7
1858 - - - - -	43,522 4 -	—	43,522 4 -
1859 - - - - -	4,480 4 11	—	4,480 4 11
1860 - - - - -	4,743 19 4	—	4,743 19 4
1861 - - - - -	16,420 15 4	—	16,420 15 4
1862 - - - - -	33,580 1 9	—	33,580 1 9
1863 - - - - -	3,955 16 10	—	3,955 16 10
1864 - - - - -	126,631 10 -	—	126,631 10 -

ACCOUNT V. (continued).

Year to 31st March—	Exchequer Receipts.	Less Salary, &c., of Receiver of Hereditary Revenue paid from Votes.	Net Receipts.
	£. s. d.	£. s. d.	£. s. d.
1865 - - - - -	92,027 6 4	—	92,027 6 4
1866 - - - - -	10,300 12 10	—	10,300 12 10
1867 - - - - -	1,534 13 2	—	1,534 13 2
1868 - - - - -	10,697 10 2	—	10,697 10 2
1869 - - - - -	10,581 6 3	—	10,581 6 3
1870 - - - - -	30,358 18 8	899 3 4	29,459 15 4
1871 - - - - -	11,736 4 10	861 13 4	10,874 11 6
1872 - - - - -	25,393 7 5	861 13 4	24,531 14 1
1873 - - - - -	13,079 12 4	861 13 4	12,217 19 -
1874 - - - - -	88,276 8 1	861 13 4	87,414 14 9
1875 - - - - -	48,365 16 11	861 13 4	47,504 3 7
1876 - - - - -	48,557 - 10	438 8 11	48,118 11 11
1877 - - - - -	56,857 3 10	445 - -	56,412 3 10
1878 - - - - -	87,081 18 -	445 - -	86,636 18 -
1879 - - - - -	49,139 14 -	445 - -	48,694 14 -
1880 - - - - -	49,959 13 7	445 - -	49,514 13 7
1881 - - - - -	69,268 2 10	445 - -	68,823 2 10
1882 - - - - -	28,066 1 8	445 - -	27,621 1 8
1883 - - - - -	18,027 10 6	445 - -	17,582 10 6
1884 - - - - -	27,986 - 6	445 - -	27,541 - 6
1885 - - - - -	119,833 16 9	445 - -	119,388 16 9
1886 - - - - -	37,655 4 7	445 - -	37,210 4 7
1887 - - - - -	136,513 15 9	445 - -	136,068 15 9
1888 - - - - -	31,906 6 7	445 - -	31,461 6 7
1889 - - - - -	68,514 3 1	445 - -	68,069 3 1
1890 - - - - -	160,635 1 6	445 - -	160,190 1 6
1891 - - - - -	58,271 6 2	445 - -	57,826 6 2
1892 - - - - -	58,311 16 7	445 - -	57,866 16 7
1893 - - - - -	26,175 13 4	445 - -	25,730 13 4
1894 - - - - -	44,642 8 -	445 - -	44,197 8 -
1895 - - - - -	24,705 - 5	445 - -	24,260 - 5
1896 - - - - -	24,099 17 9	445 - -	23,654 17 9
1897 - - - - -	25,364 19 3	445 - -	24,919 19 3
1898 - - - - -	19,310 15 7	445 - -	18,865 15 7
1899 - - - - -	19,342 6 8	445 - -	18,897 6 8
1900 - - - - -	28,268 7 8	445 - -	27,823 7 8
Total - - -			2,256,426 - 4
Average - - -			35,816 5 8

Since 1892, a sum of about 4,000*l.* per annum, derived from fines and forfeitures in Scotland, part of the Hereditary Revenue, has been appropriated in aid of the Vote for Law Charges, &c., Scotland. This falls to be added to the above figures for 1892-93 and subsequent years.

ACCOUNT VI.

PAYMENTS made to Her Majesty the Queen and to His Royal Highness the Prince of Wales, out of the Revenues of the Duchies of Lancaster and Cornwall, during the late Reign.

(1.)—*Payments to Her Majesty the Queen.*

(a) Out of the Revenues of the Duchy of Cornwall, which were paid to Her Majesty from the date of Her Accession until the 9th November, 1841, the date of the Birth of the Prince of Wales.

Period.	Amount.
Year to Michaelmas 1838 - - - - -	£ 2,000
" " 1839 - - - - -	22,000
" " 1840 - - - - -	18,500
" " 1841 - - - - -	16,000
Michaelmas 1841 to November 9, 1841 - - - - -	8,000
Total - - - - -	66,500

(b) Out of the Revenues of the Duchy of Lancaster.

Year.	Amount.	Year.	Amount.
	£.		£.
1838 - - - - -	5,000	1869 - - - - -	31,000
1839 - - - - -	12,000	1870 - - - - -	32,000
1840 - - - - -	12,000	1871 - - - - -	31,000
1841 - - - - -	15,000	1872 - - - - -	40,000
1842 - - - - -	15,000	1873 - - - - -	41,000
1843 - - - - -	13,000	1874 - - - - -	42,000
1844 - - - - -	8,000	1875 - - - - -	41,000
1845 - - - - -	10,000	1876 - - - - -	43,000
1846 - - - - -	15,000	1877 - - - - -	45,000
1847 - - - - -	12,000	1878 - - - - -	44,000
1848 - - - - -	12,000	1879 - - - - -	41,000
1849 - - - - -	9,500	1880 - - - - -	41,000
1850 - - - - -	12,000	1881 - - - - -	43,000
1851 - - - - -	12,000	1882 - - - - -	45,000
1852 - - - - -	15,000	1883 - - - - -	44,000
1853 - - - - -	15,500	1884 - - - - -	45,000
1854 - - - - -	18,000	1885 - - - - -	45,000
1855 - - - - -	20,000	1886 - - - - -	50,000
1856 - - - - -	20,000	1887 - - - - -	50,000
1857 - - - - -	24,000	1888 - - - - -	50,000
1858 - - - - -	27,000	1889 - - - - -	50,000
1859 - - - - -	25,000	1890 - - - - -	50,000
1860 - - - - -	25,000	1891 - - - - -	50,000
1861 - - - - -	10,000	1892 - - - - -	48,000
1862 - - - - -	22,000	1893 - - - - -	48,000
1863 - - - - -	37,000	1894 - - - - -	48,000
1864 - - - - -	26,000	1895 - - - - -	48,000
1865 - - - - -	26,000	1896 - - - - -	60,000
1866 - - - - -	29,000	1897 - - - - -	60,000
1867 - - - - -	29,000	1898 - - - - -	60,000
1868 - - - - -	28,500	1899 - - - - -	60,000

The Revenues of the Duchy of Lancaster will be paid to the present Sovereign.

ACCOUNT VI. (continued).

(2.)—*Payments to His Royal Highness the Prince of Wales.*

Out of the Revenues of the Duchy of Cornwall.

Year.	Amount.	Year.	Amount.
	£. s. d.		£. s. d.
1842* - - - - -	20,100 - -	1871 - - - - -	65,484 11 4
1843 - - - - -	18,579 7 6	1872 - - - - -	62,348 16 11
1844 - - - - -	22,877 10 -	1873 - - - - -	62,515 1 11
1845 - - - - -	11,035 - -	1874 - - - - -	65,901 7 2
1846 - - - - -	12,032 10 -	1875 - - - - -	67,141 11 11
1847 - - - - -	41,728 2 6	1876 - - - - -	70,375 2 8
1848 - - - - -	7,376 5 -	1877 - - - - -	69,339 - 8
1849 - - - - -	20,557 10 -	1878 - - - - -	65,831 14 8
1850 - - - - -	38,675 8 -	1879 - - - - -	65,258 13 2
1851 - - - - -	40,303 11 6	1880 - - - - -	54,959 12 9
1852 - - - - -	39,052 - -	1881 - - - - -	59,079 7 -
1853 - - - - -	37,225 - -	1882 - - - - -	63,870 8 8
1854 - - - - -	39,225 - -	1883 - - - - -	65,167 8 8
1855 - - - - -	43,231 10 -	1884 - - - - -	64,641 9 9
1856 - - - - -	43,340 - -	1885 - - - - -	57,691 11
1857 - - - - -	39,112 10 -	1886 - - - - -	60,563 3 3
1858 - - - - -	40,657 - -	1887 - - - - -	60,290 15 3
1859 - - - - -	40,785 - -	1888 - - - - -	61,971 1 6
1860 - - - - -	45,073 7 4	1889 - - - - -	63,593 5 4
1861 - - - - -	32,139 18 11	1890 - - - - -	64,523 9 4
1862 - - - - -	52,130 - -	1891 - - - - -	63,848 3 1
1863 - - - - -	46,000 - -	1892 - - - - -	60,098 8 3
1864 - - - - -	50,000 - -	1893 - - - - -	57,085 18 1
1865 - - - - -	51,331 11 2	1894 - - - - -	57,733 14 6
1866 - - - - -	53,403 11 9	1895 - - - - -	55,073 16 -
1867 - - - - -	54,927 9 11	1896 - - - - -	55,671 4 11
1868 - - - - -	55,252 2 1	1897 - - - - -	58,118 11 8
1869 - - - - -	63,587 4 -	1898 - - - - -	61,242 19 6
1870 - - - - -	62,574 4 6	1899 - - - - -	66,915 6 4

* Including the period from 9th November 1841 to 31st December 1841.
The Revenues of the Duchy of Cornwall will be paid to the present Duke.

ACCOUNT VII.

AN ESTIMATE of the Future Annual Charge in respect of the Civil List of His Majesty.

FIRST CLASS :		£.
Their Majesties' Privy Purse	- - - - -	110,000
SECOND CLASS :		
Salaries of His Majesty's Household and Retired Allowances	- - - - -	128,000
THIRD CLASS :		
Expenses of His Majesty's Household	- - - - -	194,000
FOURTH CLASS :		
Works	- - - - -	20,000
FIFTH CLASS :		
Royal Bounty, Alms, and Special Services	- - - - -	13,000
SIXTH CLASS :		
Unappropriated	- - - - -	4,800
TOTAL		£. 470,000

Note.—It is proposed to charge on the Consolidated Fund the pensions, &c. granted, or to be granted, to members of Her late Majesty's Household, to an amount not exceeding 25,000*l.* per annum.

ACCOUNT VII. (continued).

APPENDIX A.

COMPARISON with Civil List of Her late Majesty.

	Civil List of Her late Majesty as fixed in 1837.	Proposed Civil List of His Majesty.
FIRST CLASS :	£.	£.
Their Majesties' Privy Purse - - - - -	60,000	110,000
SECOND CLASS :		
The King's Personal Staff - - - - -	—	10,500
The Lord Steward's Department - - - - -	36,381	29,000
The Lord Chamberlain's Department - - - - -	66,499	59,500
The Master of the Horse's Department - - - - -	27,650	29,000
<i>The Mistress of the Robes' Department</i> - - - - -	730	—
TOTAL, CLASS II. - - - £.	131,260	128,000
THIRD CLASS :		
The Lord Steward's Department - - - - -	86,000	106,000
The Lord Chamberlain's Department - - - - -	42,000	43,000
The Master of the Horse's Department - - - - -	39,500	45,000
<i>The Mistress of the Robes' Department</i> - - - - -	5,000	—
TOTAL, CLASS III. - - - £.	172,500	194,000
FOURTH CLASS :		
Works transferred from the Lord Steward - - - - -	—	3,000
Works transferred from the Lord Chamberlain - - - - -	—	7,000
Works transferred from the Vote for Royal Palaces - - - - -	—	10,000
TOTAL, CLASS IV. - - - £.	—	20,000
FIFTH CLASS :		
Royal Bounty and Special Service - - - - -	9,000	9,000
Alms and Charities - - - - -	4,200	4,200
TOTAL, CLASS V. - - - £.	13,200	13,200
Unappropriated Money - - - - -	8,040	8,040

ACCOUNT VII. (continued).

APPENDIX B.

DETAILS OF CLASS II.

		£.
1. THE KING'S PERSONAL STAFF :—		
Private Secretary, Keeper of the Privy Purse, Secretary, Clerks, &c.	- - -	9,500
Add,—For prospective Non-Effective Charge (say)	- - -	1,000
	£.	10,500

	Charge on 1st January 1900.	Proposed Future Establishment.
2. THE LORD STEWARD'S DEPARTMENT :—		
	£.	£.
Lord Steward - - - - -	2,000	2,000
Treasurer - - - - -	904	700
Comptroller - - - - -	904	700
Master of the Household - - - - -	1,158	1,158
Secretary to the Board of Green Cloth - - - - -	1,000	1,000
Clerks, Mtssengers, &c., in the Lord Steward's Office - - - - -	1,139	1,130
Paymaster of the Household - - - - -	1,000	1,000
Domestic Servants - - - - -	13,852	13,365
Marshalmen - - - - -	840	840
Ecclesiastical Salaries and Allowances - - - - -	4,601	4,665
Non-Effective Charge - - - - -	4,331	--
TOTAL, Lord Steward's Department - - £.	31,729	26,558

	£.
Future Effective Charge, as above - - - - -	26,558
Add,—For prospective Non-Effective Charge (say) - - - - -	2,442
TOTAL (say) - - - £.	29,000

ACCOUNT VII. (continued).

Appendix B.

	Charge on 1st January 1900.	Proposed Future Establishment.
3. THE LORD CHAMBERLAIN'S DEPARTMENT :—	£.	£.
Lord Chamberlain - - - - -	2,000	2,000
Vice-Chamberlain - - - - -	900	700
Comptroller, Lord Chamberlain's Office - - - -	1,000	1,500*
Clerks and Messengers, Lord Chamberlain's Office -	2,346	2,440
Messengers to the King (4) - - - - -	1,180	800
Lords-in-Waiting (8, to be reduced to 6) - - -	5,602	3,600
Grooms-in-Waiting (7, to be reduced to 6) - - -	2,772	1,800
The Queen's Household - - - - -	9,100	7,180
Master of the Ceremonies, Assistant, and Marshal -	1,027	1,030
Gentlemen Ushers and Grooms of the Chamber, Pages, &c. (55, to be reduced to 36) - - - - -	7,673	4,746
Inspectors (3) - - - - -	600	750
Housekeepers (5) - - - - -	1,379	493
Tapissiers - - - - -	730	530
Housemaids, &c. - - - - -	2,441	2,236
Officers of the Garter and other Orders - - - -	1,273	1,273
Medical Staff - - - - -	1,598	1,400
Examiner of Plays - - - - -	300	300
Poet Laureate - - - - -	70	70
Reader at Windsor Castle - - - - -	200	—
Librarian, Windsor, and Assistants - - - - -	808	808
Principal Painter - - - - -	39	—
Surveyor of Pictures - - - - -	250	200
King's Band, &c. - - - - -	2,100	2,100
Ecclesiastical Officers - - - - -	1,521	1,354
Governor, Windsor Castle - - - - -	1,100	—
Bargemaster, Watermen, Caretakers, &c. - - -	394	110
Gamekeepers at Richmond - - - - -	164	—
Gentlemen at Arms—Captain - - - - -	1,200	1,000
Officers - - - - -	813	800
Men - - - - -	2,730	2,720
Yeomen of the Guard—Captain - - - - -	1,200	1,000
Officers - - - - -	1,237	1,200
Men - - - - -	5,150	5,150
TOTAL, Effective Charge - - - £.	60,897	49,300
<i>Non-Effective - - - £</i>	<i>3,397</i>	—
TOTAL, Lord Chamberlain's Department - - - £.	64,294	49,300
Future ultimate effective charge, as above - - - - -		49,300
Add,— For prospective non-effective charge, and for redundant salaries during reduction (say) - - - - -		10,200
TOTAL (say) - - - £.		59,500

* Addition in lieu of official residence required for office accommodation.

Note.—The reductions in numbers and salaries will be effected as vacancies or other opportunities occur.

ACCOUNT VII. (continued).

Appendix B.

	Charge on 1st January 1900.	Proposed Future Establishment.
4. THE MASTER OF THE HORSE'S DEPARTMENT :—	£.	£.
Master of the Horse - - - - -	2,500	2,000
Master of the Buckhounds - - - - -	1,500	1,500
Equerries and Pages of Honour (13, to be reduced to 12)	6,220	5,720
Accountant, Superintendents, Clerks, and Messenger (7)	1,355	1,890
Coachmen, &c. (37) - - - - -	3,085	3,890
Footmen, &c. (34) - - - - -	2,360	2,360
Weekly Helpers' wages (1,000 <i>l.</i> transferred from Class III.) - - - - -	7,891	8,200
Hunt salaries and wages (555 <i>l.</i> transferred from Class III.) - - - - -	1,300	1,300
<i>Non-Effective</i> - - - - -	4,121	—
TOTAL, Master of the Horse's Department - £.	30,332	26,860

	£.
Future effective charge, as above - - - - -	26,860
<i>Add—</i>	
For prospective non-effective charge (say) - - - - -	2,140
TOTAL (say) - - - £.	29,000

Treasury,
11th March 1901.

AUSTEN CHAMBERLAIN.

ACCOUNTS RELATING TO THE CIVIL LIST SUBSEQUENTLY SUBMITTED.

ACCOUNT VIII.

PALACES IN PERSONAL OCCUPATION OF THE SOVEREIGN.

ANNUAL EXPENDITURE.

	1899-1900. (Actual).			1900-1901. (Approximate).			1901-1902. (Estimate).		
	Works.	Main- tenance.	Total.	Works.	Main- tenance.	Total.	Works.	Main- tenance.	Total.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Buckingham Palace - - -	3,575	1,300	4,875	3,350	1,520	4,870	1,650	2,370	4,020
Royal Mews, Pimlico - - -	825	1,880	2,705	810	1,850	2,660	810	2,410	3,220
Windsor Castle - - - -	3,500	4,650	8,150	3,240	4,810	8,050	1,525	6,130	7,655
Windsor Home Park, with Ade- laide Lodge, &c. - - -	100	620	720	100	1,000	1,100	230	870	1,100
Windsor Royal Kitchen Gardens	300	1,160	1,460	500	1,160	1,660	100	1,210	1,310
Frogmore House and Grounds -	100	600	700	100	600	700	100	680	780
TOTAL - - - £.	8,400	10,210	18,610	8,100	10,940	19,040	4,415	13,670	18,085

Average, *per annum*, 18,578*l*.

This includes external as well as internal works, also gardens, grounds, &c., but about two-thirds of the total, or 12,000*l*., may be taken to represent internal works paid for out of Votes of Parliament.

This is the sum in lieu of which it is proposed to provide 10,000*l*. per annum in the new Civil List, the estimate for Royal Palaces being reduced by a corresponding sum. A smaller sum is taken than the average expenditure of recent years, because the latter was swollen by the cost of introducing electric light, which will not recur.

Office of Works,
6 March 1901.

ACCOUNT IX.

ROYAL YACHTS.

STATEMENT showing cost of each of the Four Royal Yachts for the past Ten Years.

	Victoria and Albert.	Osborne.	Alberta.	Elfin.	TOTAL.
	£.	£.	£.	£.	£.
1890-91 - - - - -	4,169	2,043	3,594	678	10,484
1891-92 - - - - -	4,147	9,943	1,084	1,539	16,713
1892-93 - - - - -	4,557	18,374	1,522	652	25,105
1893-94 - - - - -	4,941	4,310	3,195	530	12,976
1894-95 - - - - -	5,470	4,036	4,162	691	14,359
1895-96 - - - - -	7,456	3,905	1,664	474	13,499
1896-97 - - - - -	6,223	6,195	1,971	1,097	15,486
1897-98 - - - - -	8,805	6,742	2,045	1,088	18,680
1898-99 - - - - -	5,095	9,077	2,305	1,090	17,567
1899-1900 - - - - -	5,211	12,722	2,671	3,208	23,812
TOTAL - - - £.	56,074	77,347	24,213	11,047	168,681

Note.—The cost of coals is not included until 1896-97, as it was not charged to specific ships until that year.

It is intended to discontinue the "Alberta" and "Elfin" as Royal Yachts.

ACCOUNT X.

PENSIONS &c., TO MEMBERS OF THE LATE QUEEN'S HOUSEHOLD.

PARTICULARS of the Proposed Charge on the Consolidated Fund not exceeding 25,000*l.* per annum.

	£.
Non-Effective Charge on Class II. of the Civil List on 22nd January 1901. 11,954 <i>l.</i> 9 <i>s.</i> --say - - - - -	12,000
Ladies of Queen Victoria's Household : Total Amount of Proposed Pensions - -	2,600
Gentlemen of Queen Victoria's Household : Total Amount of Proposed Pensions -	6,150
Provision for Pensions to Servants on Queen Victoria's Establishment whom it will be found necessary to retire immediately ; the Pensions to be calculated at the ordinary rates applicable to Her late Majesty's Establishment - - - -	4,250
TOTAL - - - £.	25,000

ACCOUNT XI.

NEW CIVIL LIST.

Cost to the PUBLIC of the proposed Arrangements as compared with those in the Late Reign.

I.—UNDER THE LATE REIGN.

A.—THE SOVEREIGN AND HEIR APPARENT :		£.
1. Civil List - - - - -		385,000
2. Prince of Wales - - - - -		40,000
3. Princess of Wales - - - - -		10,000
4. Prince of Wales' Children - - - - -		36,000
		471,000
5. Internal works at Buckingham Palace and Windsor Castle borne on Vote for Royal Palace - - - - -		10,000
		£. 481,000
B.—OTHER CHARGES CONNECTED WITH THE MONARCHY :		£.
1. Dowager German Empress - - - - -	8,000	
2. Duke of Connaught - - - - -	25,000	
3. Three younger Daughters of Queen Victoria (6,000 <i>l.</i> each) - - -	18,000	
4. Duchess of Albany - - - - -	6,000	
5. Duke of Cambridge - - - - -	12,000	
6. Duchess of Mecklenburg - - - - -	3,000	
		72,000
		£. 553,000

II.—UNDER THE PRESENT REIGN.

A.—THE SOVEREIGN AND HEIR APPARENT :		
1. Civil List (including transfer of 10,000 <i>l.</i> from Works Vote) - - - - -		470,000
2. Pensions to members of Queen Victoria's Household - - - - -		25,000
3. Sundry small charges removed from Civil List - - - - -		5,000
		£. 500,000
4. Duke of Cornwall - - - - -	20,000	
5. Duchess of Cornwall - - - - -	10,000	
		30,000
		530,000
B.—OTHER CHARGES CONNECTED WITH THE MONARCHY :		
1. Provision for the King's Daughters at the rate of 6,000 <i>l.</i> each - -	18,000	
2. Same as in No. 1 (B.) - - - - -	72,000	
		90,000
		620,000
As compared with - - - - -		553,000
NET INCREASE - - - - -		£. 67,000

Treasury,
20 March 1901.

AUSTEN CHAMBERLAIN.

STATEMENT RELATING TO ROYAL BOUNTY AND SPECIAL SERVICE.

(A) HISTORY.

THE Royal Bounty and Special Service Fund represents two accounts which were amalgamated under that double name many years ago. Its amount was fixed at 9,000*l.* in 1831, having previously been considerably larger.

The term "*Royal Bounty*" sufficiently explains the purpose to which the Fund is principally applied. Two principles were laid down for its application: firstly, that no one person should receive a grant more than once in three years; and, secondly, that no applicants should be relieved by the Royal Bounty except "in their distress or for their desert." These two rules, *Distress or Desert*, have been gradually tightened, and now *both Distress and Desert* are required.

The term "*Special Service*" has never been precisely defined. Originally the Fund seems to have been used as a miscellaneous account, like the "Civil Contingencies Fund." For instance, a great excess in 1802 was largely due to expenditure "to make up deficiency of fees towards the salaries of different Offices," and to the cost of "presents to Ministers of Foreign Courts on signing treaties, &c., and presents to the Barbary States. By current practice the use of Special Service is restricted to incidental expenditure of a quasi-public nature but not suitable to be borne on the Votes, and to the endowment of research.

Originally, grants from the Royal Bounty and Special Service Fund seem to have been made by the King personally; but by the close of the eighteenth century the administration of the Fund was specially committed to the First Lord of the Treasury, though the method of payment by Royal Warrant was continued till 1810 in the case of Royal Bounty, and till 1831 in the case of Special Service.

(B) ADMINISTRATION.

The only standing regulation affecting the employment of the Fund is that Royal Bounty shall not be given to the same recipient at intervals of less than three years. In other respects the management of the Fund is regulated by official traditions alone.

(I.) *Royal Bounty.*

On its charitable side the Fund is administered on principles similar to those regulating the award of Civil List Pensions, but with a greater elasticity. Those principles are *Distress and Desert* combined.

The *Distress* has to be carefully investigated on behalf of the First Lord; and yearly grants to the Charity Organisation Society and the Anti-Mendicity Society enable him to refer to those institutions whenever he desires. In estimating *Distress*, special regard is paid to the opinion expressed by the Civil List Pensions Committee in 1838, that "where close relationship exists, and where means of support may be afforded, it is to family connections and not to the public purse that application for relief should be made."

The qualification of *Desert* depends, not merely on the applicants' respectability, but also on proof of services rendered by him or his relatives to:—(1) The Sovereign personally; (2) the State; (3) Science; (4) Literature; (5) the Arts; these being the statutory requirements in the analogous case of Civil List Pensions.

Claims depending on services rendered by the applicant himself are given the priority over those based on the services of a relative, and in the latter class of cases the degree of relationship is an important factor.

Of the many headings under which "*Desert*" can be claimed, the most vague is perhaps that of services to the State. Under this pretext attempts are sometimes made to convert the Fund into a benevolent fund for the widows and orphans of Civil Servants, or for such relatives of soldiers or sailors as are not entitled to pensions. But it was never intended, and would be altogether insufficient for such purposes, and its use has to be jealously restricted to cases of exceptional merit or exceptional hardship only. To meet ordinary cases there exists a Civil Service Benevolent Fund, under voluntary management, and the War Office and Admiralty have compassionate funds of their own.

The three years' rule has always been strictly observed, and second and third grants are not made except in special cases. Difficulties have arisen from the gift of *unconditional doles*, without any restriction as to their expenditure, or any warning that they were not likely to be repeated; and to avoid the bad results of such a system, it is now the practice to refuse such unconditional doles in every case except where the expectation of life is very short, or where the distress is only likely to be *temporary*; and even in such cases the money is usually placed in the hands, not of the applicant, but of some responsible trustee, who will see that it is properly expended.

In cases of *chronic* poverty it is the practice:—

1. Wherever possible, to insist on some contribution being forthcoming from outside sources, *e.g.*, (a) from the signatories to the memorial appealing for assistance; or (b) from local subscribers, in cases where the applicant has done good local work; or (c) from charitable funds, such as the Royal Literary Fund or the Royal Society's Benevolent Fund.

2. To make a Royal Bounty grant in augmentation of such outside fund on the strict understanding that the combined amount is used for providing the recipient with some *permanent* means of support, preferably a life annuity.

3. In cases where no outside support is forthcoming, and where a large enough grant from Royal Bounty is justifiable, to pay the sum over to the Post Office Savings Bank for the purchase of a life annuity for the applicant.

4. Or if the amount that can be granted is insufficient to buy a life annuity worth having, to place it in the hands of some trustworthy almoner for some special purpose, such as the education of the applicant's children.

(II.) *Special Service.*

Under this heading the Fund is now and again used for certain occasional and exceptional calls upon the Civil List of a public or semi-public nature, such as Royal Marriages and Funerals or semi-political visits of Foreign Sovereigns.

Of late years also the practice has been started of utilising the Fund directly or indirectly for the endowment of research. For instance, in 1894, 200*l.* was given to the British School at Athens ; in 1895, 550*l.* towards the cost of the International Geographical Congress ; in 1896, 600*l.* to the English Dialect Dictionary ; in 1898, 250*l.* to the International Zoological Congress ; in 1899, 500*l.* to the Lake Tanganyika Exploration Expedition, and 500*l.* towards a special scientific investigation.

REPORT
FROM THE
SELECT COMMITTEE
ON THE
CIVIL LIST;
WITH THE
PROCEEDINGS OF THE COMMITTEE,
AND AN APPENDIX.

*Ordered, by The House of Commons, to be Printed,
28 March 1901.*

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R E P O R T

FROM THE

SELECT COMMITTEE

ON THE

CIVIL LIST;

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This re-issue was rendered necessary in consequence of Pages 4 and 6 having been accidentally transposed in the previous issue of this Paper.

22 April 1901.

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1901.

R E P O R T.

THE Select Committee appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's family:—Have considered the matters and papers to them referred and have agreed to the following Report:—

At the outset it may be convenient to recite the charges on the Consolidated Fund in respect of the Royal Family as they stood at the death of Her late Majesty. These may be stated as follows, so far as they come within the purview of the Committee:—

	£.
(1.) Her Majesty's Civil List (omitting Class V., pensions granted under 1 Vict. c. 2, s. 5) - - - - -	385,000
(2.) His Royal Highness the Prince of Wales (26 Vict. c. 1) -	40,000
(3.) Her Royal Highness the Princess of Wales (26 Vict. c. 1)	10,000
(4.) Annuity under Prince of Wales's Children Act, 1889 (52 & 53 Vict. c. 35) - - - - -	36,000
	£. 471,000

Other annuities to members of the Royal Family, amounting to 72,000*l.* per annum, are not affected by the death of Her late Majesty, and therefore need not for present purposes be referred to.

The Civil List charge and that under the Act of 1889 (Nos. 1 and 4) continue until 22nd July next, being six months from the death of Her late Majesty; the annuity to the Prince of Wales ceased at Her late Majesty's death; and the annuity assigned to the Princess of Wales was made payable to Her present Majesty during Her marriage with His present Majesty. This Annuity will cease on the enactment of the new Civil List. It should be added that Her present Majesty is, under the Act 26 Vict. c. 1, entitled to an annuity of 30,000*l.* in the event of widowhood.

In performing the duty entrusted to them by the House, of considering the Estimate laid before them for the future Civil List of the Sovereign (Appendix, Part VII.), your Committee have been guided to a considerable extent by the actual expenditure during the last ten years of the late reign. In the Papers laid before Parliament by command of His Majesty (Appendix, Part II.) will be found full information on this subject, of the same kind as was given on previous occasions. From this it appears that the amount of 172,500*l.* at which Class III. (Expenses of the Household) was fixed by the Civil List Act of 1837, has, in each of the last thirteen years, except in 1888, proved insufficient for its purpose, and has been accordingly supplemented from the Privy Purse and other sources to the total amount of 170,256*l.* The Privy Purse was enabled to make good the deficiencies on Class III. owing to the Savings on the total amount of the Civil List which had accrued to it during the previous portion of the reign, as appears in Part I. of the Appendix. It has therefore not been necessary for Her late Majesty to make any application to Parliament in respect of the increased expenditure of recent years. But the fact that such increase has occurred must be carefully borne in mind in considering the amount of the new Civil List, which can no longer be supplemented from the source referred to. In the interest both of the Crown and of the Nation it is essential that the Crown should, as has happily been the case during the late reign, avoid the necessity of special recourse to Parliament in respect of debts.

Your Committee proceed to report the results of their detailed consideration of the five classes of the new Civil List as submitted to them by His Majesty's Government (Appendix, Part VII.).

With respect to the First Class, which provides for the Privy Purse of their Majesties the King and Queen, your Committee, from the nature of the subject, have felt themselves precluded from enquiry. But having regard to precedent, they consider that they are making a reasonable proposition in recommending to the House to allot the sum of 110,000*l.* to this class, that being the amount at which the Privy Purse of King William the IV. and Queen Adelaide was fixed in 1830.

The Second Class comprehends not only the salaries of the Officers of State, but also other annual payments to persons belonging to the Court and the wages of servants. The Committee, in their enquiries into this Class, confined themselves mainly to the Officers of State, not thinking it consistent with the respect due to His Majesty to scrutinise the details of His domestic Household. The Estimate of the ultimate future charge for salaries in each of the three Household Departments, submitted to the Committee by His Majesty's Government, was based upon proposals for the abolition of unnecessary offices, and for the reduction of salaries as vacancies occur, which followed from an inquiry instituted by the command of His Majesty by the three Great Officers of State; the results of this inquiry appear in Appendix, Part VII., B. The following reduction should be mentioned as affecting Parliamentary Officers :—

Treasurer of the Household, from 904*l.* to 700*l.*

Comptroller of the Household, from 904*l.* to 700*l.*

Vice-Chamberlain, from 900*l.* to 700*l.*

Lords in Waiting, from seven at 700*l.* to five at 600*l.*

Captain of the Gentlemen at Arms, from 1,200*l.* to 1,000*l.*

Captain of the Yeomen of the Guard, from 1,200*l.* to 1,000*l.*

Master of the Horse, from 2,500*l.* to 2,000*l.*

This Class contained provision of 1,500*l.* for the salary of the Master of the Buckhounds, and about 700*l.* for wages of the Huntsmen and Hunt servants. Your Committee do not think it advisable that the Mastership of the Buckhounds should be continued, nor do they think it necessary that the Royal Hunt should be maintained. They feel that it is for the Sovereign to decide whether and in what form encouragement should be given by His Majesty to any particular national sport; and they do not consider it desirable to impose on His Majesty an obligation to do so by devoting a portion of the Civil List specially to that object. They have therefore struck out from Class II. the sum of 2,200*l.* in respect of the items of 1,500*l.* and 700*l.* mentioned above; and from Class III. the sum of 4,000*l.* included therein (under the Master of the Horse's Department) for expenses of the Hunt. If this recommendation of your Committee were adopted the present Master of the Buckhounds would cease to hold office as soon as arrangements could be made for terminating the Royal Hunt.

Your Committee recommend that provision should be made in Class II. for "the King's Personal Staff." This includes His Majesty's Private Secretary and Assistants, the Keeper of the Privy Purse and his Staff, and others whose services are no less necessary to His Majesty than those of the Staff in the Departments of the three Great Officers of the Household. The sum of 10,500*l.* is inserted to cover these charges.

They recommend that the provision in Class II. for the Salaries, &c. of the Household Departments should be as follows :—

	£.
The Lord Steward's Department - - -	29,000
The Lord Chamberlain's Department (including the Mistress of the Robes and other Members of the Queen Consort's Court) - - - - -	59,500
The Master of the Horse's Department - - - - -	26,800
making, with the provision for the King's Personal Staff, a total for the Class of	125,800 <i>l.</i>

In the total of Class II. your Committee have included a sum to enable His Majesty to provide temporarily for the full salaries of offices which it is proposed ultimately to abolish or reduce, or for compensations on abolition, and also for the grant of pensions to servants who may gradually become incapacitated for further service. But they recommend that the Class shall be relieved from the present non-effective charge for pensions granted by Her late Majesty amounting to approximately 12,000*l.*, and that this sum, together with such further amount not exceeding in all 13,000*l.* per annum as may be necessary to provide for those members of Her late Majesty's Household who are entitled to pensions, and whose services will no longer be required, should be charged on the Consolidated Fund.

As the pensions so charged fall in, the Exchequer will reap the benefit, until the total amount of 25,000*l.* per annum has disappeared.

Your Committee next proceeded to inquire into the Third Class, viz., that for the expenditure in the Departments of the Lord Steward, the Lord Chamberlain, and the Master of the Horse. The amount allotted to this Class was fixed at 172,500*l.* in the last reign, and the Class will in future be relieved of certain items as follows :—

(a) £10,000 for decoration and other internal works at Windsor Castle and Buckingham Palace, transferred to the new Class IV., as explained below.

(b) £4,000 for Hunt expenses struck out.

(c) £5,000 the former provision for expenses of the Mistress of the Robes.

(d) £3,360 formerly paid as a contribution towards "Queen's Premiums" on Horses, which your Committee recommend should in future be added to the sum hitherto provided for this purpose in the Vote for Miscellaneous Expenses, Class VII., Vote 2, of the Civil Service Estimates. It may here be noted that by the removal of this item, together with the net effect of some minor adjustments, the Civil List will be relieved to the amount of about 5,000*l.* per annum.

After making these allowances, however, your Committee still feel that, in order to ensure that no restriction should be imposed upon the hospitality of the Sovereign, and that his comfort should not be interfered with, it is necessary that the amount allotted to this Class should be increased, and having regard to the experience of recent years they recommend that there should be provided—

	£.
For the Lord Steward - - - - -	107,500
„ Lord Chamberlain - - - - -	44,500
„ Master of the Horse - - - - -	41,000

Making the total of Class III. - - £. 193,000

The Fourth Class requires special explanation. It consists of a sum of 10,000*l.* formerly included under the charges of the Lord Steward's and the Lord Chamberlain's Departments in Class III. for painting, papering, decoration, and other internal works in Windsor Castle and Buckingham Palace; and of a further sum of 10,000*l.* to provide for structural works of alteration and repair in the interior of those Palaces, such as during the last reign have been paid for from the Vote for Royal Palaces, Class I., Vote 1, of the Civil Service Estimates. In future any works of either kind which His Majesty may command, should be carried out by the Office of Works and charged to this Class of the Civil List, and the Estimates will be relieved of a corresponding charge of about 10,000*l.* a year.

The Fifth Class is identical with the Fourth Class in the Civil List of 1837, and comprises 9,000*l.* for Royal Bounty and Special Service, and 4,200*l.* for Royal Alms and Charity, in all 13,200*l.*

Your Committee recommend that the new Civil List should be fixed according to the following Estimate :—

		£.
First Class - -	Their Majesties' Privy Purse - -	110,000
Second Class - -	Salaries of His Majesty's Household and Retired Allowances.	125,800
Third Class - -	Expenses of His Majesty's Household -	193,000
Fourth Class - -	Works - - - - -	20,000
Fifth Class - -	Royal Bounty, Alms, and Special Services.	13,200
Sixth Class - -	Unappropriated - - - - -	8,000
Total for the Civil List - - £.		470,000

In the foregoing no reference has been made to the pensions granted under Sections 5 and 6 of the last Civil List Act, commonly called "Civil List Pensions." With regard to these no suggestion has been made for any alteration, and the Committee accordingly recommend the continuance of the present system, except that the variable amounts payable under this head (Appendix, Part III.) should no longer form a nominal class of the Civil List, but should be separately entered in the Consolidated Fund Accounts.

Your Committee pass to the provision to be made for other members of His Majesty's Family; and in the first place they recommend that an annuity of 20,000*l.* shall be paid out of the Consolidated Fund to His Royal Highness the Duke of Cornwall and York, who has succeeded to the Revenues of the Duchy of Cornwall (Appendix, Part VI.). They also recommend the grant of an annuity of 10,000*l.* to Her Royal Highness the Duchess of Cornwall and York during the continuance of Her marriage with His Royal Highness the Duke of Cornwall and York.

Your Committee have carefully considered whether it would be advisable that any provision, whether immediate or contingent, should be made at the present time for those children of the Heir Apparent who may reach an age at which they may require separate establishments; but in view of the youth of their Royal Highnesses and the consequent uncertainty of the future, they do not recommend that any such provision should be made on the present occasion, and content themselves by recording the fact that nothing for this purpose is included either in the Civil List or in the annuities proposed.

Your Committee have already called attention to the fact that the annuity granted by the Prince of Wales's Children Act, 1889, ceases on 22nd July 1901. It is therefore necessary to make fresh provision for their Royal Highnesses Princess Louise (Duchess of Fife), Princess Victoria and Princess Maud (Princess Charles of Denmark). Your Committee accordingly recommend that an annuity of 18,000*l.* for their joint lives, diminishing by 6,000*l.* with each death, should, in accordance with the precedent of the Prince of Wales's Children Act, 1889, be paid to trustees by quarterly payments out of the Consolidated Fund. Out of this fund the Sovereign, with the assent of the First Lord of the Treasury and the Chancellor of the Exchequer, should be empowered to make such assignments and in such manner to their Royal Highnesses as in His discretion He may from time to time think fit.

Your Committee further recommend that the contingent annuity of 30,000*l.* provided by the Act 26 & 27 Vict. c. 1 for Her Majesty the Queen Consort in the event of Her surviving His present Majesty, should be increased to 70,000*l.*; and that a contingent annuity of 30,000*l.* should be provided for her Royal Highness the Duchess of Cornwall and York in the event of her surviving his Royal Highness the Duke of Cornwall and York.

The financial recommendations of the Committee may be summarised as follows:—

	£.
1. Civil List - - - - -	470,000
2. Annuity to H.R.H. the Duke of Cornwall and York -	20,000
3. Annuity to H.R.H. the Duchess of Cornwall and York -	10,000
4. Provision for the King's Daughters - - - - -	18,000
5. Charge on Consolidated Fund for Household Pensions to Servants of the late Queen, not exceeding - -	25,000
Total - - - -	<u>£. 543,000</u>

	£.
For the purpose of comparing this figure with the corresponding charge in the late reign, viz. - - - -	471,000
There should be added to the latter the sum transferred from Votes to the Civil List, viz. - - - - -	10,000
	<u>481,000</u>
And there should be deducted the amount of the charges of which it is proposed to relieve the Civil List, viz. - -	5,000
	<u>£. 476,000</u>

	£.
The net increase proposed is therefore - - - - -	67,000
Falling ultimately, when the pension charge with respect to the Servants of the late Queen of - - - - -	25,000
(No. 5 above) disappears, to - - - - -	<u>42,000</u>

In conclusion, your Committee desire to state that they have received from those Ministers of the Crown who are Members of it all the information which they have deemed material to the objects of their Inquiry.

28 March 1901.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 13th March 1901.

MEMBERS PRESENT :

Mr. Balfour.
 Mr. Bartley.
 Sir J. Brunner.
 Sir H. Campbell-Bannerman.
 Mr. Chancellor of the Exchequer.
 Sir F. Dixon-Hartland.
 Sir William Hart Dyke.
 Sir Henry Fowler.
 Sir William Harcourt.
 Mr. Jackson.

Sir James Kitson.
 Mr. Labouchere.
 Mr. Macartney.
 Mr. McKenna.
 Mr. Mildmay.
 Mr. Renshaw.
 Mr. W. F. D. Smith.
 Mr. Stevenson.
 Mr. Warr.
 Mr. Wharton.

Mr. CHANCELLOR OF THE EXCHEQUER was called to the Chair.

The Committee deliberated.

[Adjourned till Friday, at Twelve o'clock..

Friday, 15th March 1901.

MEMBERS PRESENT :

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Bartley.
 Sir John Brunner.
 Sir Henry Campbell-Bannerman.
 Sir Frederick Dixon-Hartland.
 Sir William Hart Dyke.
 Sir James Kitson.
 Mr. Jackson.
 Mr. Labouchere.
 Mr. Macartney.

Mr. McKenna.
 Mr. Mildmay.
 Mr. Renshaw.
 Mr. W. F. D. Smith.
 Mr. Stevenson.
 Mr. Warr.
 Mr. Wharton.
 Mr. Balfour.

The Committee deliberated.

DRAFT SPECIAL REPORT proposed by the Chairman, read the first time, as follows :—

The attention of your Committee has been called to the publication in the "Times" newspaper of 14th March of a statement purporting to represent proposals contained in the papers marked Confidential referred to your Committee, and a Report of their proceedings on 13th March.

They are unable to ascertain in what manner this can have been divulged.

They recommend that Mr. Speaker, to whom the authority of the House in such matters is delegated, do take such steps, either by the exclusion of the representative of the "Times" from the inner lobbies of the House, or otherwise, as may seem to him best calculated to prevent such publication in future.

DRAFT SPECIAL REPORT read a second time.

Question, That this Report be the Special Report of the Committee to the House,—put and agreed to.

Ordered to Report.

[Adjourned till Tuesday, at Twelve o'clock..

Tuesday, 19th March 1901.

MEMBERS PRESENT:

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir F. Dixon-Hartland.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Labouchere.
Mr. Macartney.

Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.
Sir William Hart Dyke.
Sir Henry Campbell-Bannerman.
Sir Henry Fowler.

The Committee deliberated.

Motion made, and Question, "That as surpluses have during Her late Majesty's reign been frequently transferred to Class I. (Her Majesty's Privy Purse) from other classes, although there was no deficit in Class I., there would appear no reason why the amount of the Civil List of His Majesty should be apportioned between classes. The Committee is therefore of opinion that no such apportionments should be made"—(Mr. Labouchere)—put, and *negatived*.

Class I. (Their Majesties' Privy Purse), *postponed*.

Class II. (Salaries of His Majesty's Household and Retired Allowances), *considered*.

Motion made, and Question, "That in the opinion of the Committee no salaries for political officers should be included in Class II."—(Mr. Labouchere)—put, and *negatived*.

Motion made, and Question proposed, "That the item Medical Staff, 1,400*l.*, be reduced to 1,000*l.*"—(Mr. Stevenson).—Question, "That the item 1,400*l.* stand part of the Class"—put, and *agreed to*.

Motion made, and Question, "That the item of 4,665*l.*, included in the Second Class under the title of 'Ecclesiastical Salaries and Allowances,' and the item of 1,354*l.*, included in the Second Class under the title of 'Ecclesiastical Officers,' be consolidated and reduced to 3,000*l.*"—(Mr. McKenna)—put, and *negatived*.

Motion made, and Question, "That the salary of the Master of the Horse (2,000*l.*) be discontinued"—(Sir J. Brunner)—put, and *negatived*.

Further consideration of Class II., *postponed*.

Class III. (Expenses of His Majesty's Household), *postponed*.

Class IV. (Works) (20,000*l.*), *considered and agreed to*.

Class V. (Royal Bounty, Alms, and Special Services) (13,200*l.*), *considered and agreed to*.

[Adjourned till Thursday next, at Twelve o'clock.]

Thursday, 21st March 1901.

MEMBERS PRESENT:

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.

Sir James Kitson.
Mr. Labouchere.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

The Committee deliberated.

Class II., further *considered*.

Motion made, and Question, "That the Mastership of the Buckhounds (salary 1,500*l.*), as it at present appears in Class II., be discontinued"—(Sir J. Brunner),—put, and *agreed to*.

Motion made, and Question, "That Class II. be reduced by 700*l.*, and Class III. by 4,000*l.* with respect to the Royal Hunt expenditure"—(Mr. Labouchere),—put, and *agreed to*.

Class II., as amended, *agreed to*.

Class III., *considered*.

Motion made, and Question, "That the sum proposed for the Lord Steward's Department be increased to 107,500*l.*, and that for the Lord Chamberlain's Department to 44,500*l.*, making the total of Class III. 193,000*l.*"—(The Chairman),—put, and *agreed to*.

Class III., as amended, *agreed to*.

Postponed Class I., *considered*.

Amendment proposed, "To leave out 110,000*l.*, in order to insert 90,000*l.*"—(Mr. Labouchere)—instead thereof.

Question put, "That 110,000*l.* stand part of the Class."—The Committee divided :

Ayes, 18.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Noes, 1.

Mr. Labouchere.

Class I., *agreed to*.

Class VI. (Unappropriated), *agreed to*.

Motion made, and Question proposed, "That the Committee recommend that an annuity of 20,000*l.* be granted to His Royal Highness the Duke of Cornwall and York"—(The Chairman).—Question put.—The Committee divided :

Ayes, 18.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Noes, 1.

Mr. Labouchere.

Motion made, and Question, "That the Committee recommend that an annuity of 10,000*l.* be granted to Her Royal Highness the Duchess of Cornwall and York"—(The Chairman),—put, and *agreed to*.

Motion

Motion made, and Question proposed, "That the Committee recommend that a Contingent Annuity of 70,000*l.* be granted to Her Majesty the Queen in the event of her surviving His Majesty the King"—(The *Chairman*).

Amendment proposed, "To leave out 70,000*l.* in order to insert 50,000*l.*"—(Mr. *Labouchere*).—instead thereof.—Question put, "That 70,000*l.* stand part of the Question."—The Committee divided :

Ayes, 18.
Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Henry Campbell-Bannerman.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Jackson.
Sir James Kitson.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. Stevenson.
Mr. Warr.
Mr. Wharton.

Noes, 1.
Mr. Labouchere.

Motion made, and Question, "That the Committee recommend that a Contingent Annuity of 30,000*l.* be granted to Her Royal Highness the Duchess of Cornwall and York in the event of her surviving His Royal Highness the Duke of Cornwall and York"—(The *Chairman*).—put, and agreed to.

[Adjourned till Thursday next, at Twelve o'clock.

Thursday, 28th March 1901.

MEMBERS PRESENT :

Mr. CHANCELLOR OF THE EXCHEQUER in the Chair.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir Frederick Dixon-Hartland.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.

Mr. Labouchere.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.

The Committee deliberated.

The following letter received from Mr. Speaker was communicated to the Committee by the Chairman :—

Dear Sir Michael Hicks-Beach,

House of Commons,
27 March 1901.

I HAVE caused inquiry to be made into the conduct of the Lobby correspondent, who published in the "Times" the contents of a confidential paper relating to the Civil List. The fact seems to be that the correspondent did not solicit this information from any person, either in the Lobby or elsewhere, and that no consideration was given for it. His statement is that the information was voluntarily given to him by a person who read it to him from a paper, but that the paper was not handed to him nor was he told that it was marked "Confidential." I have no reason to doubt this statement, but I think he must or ought to have understood that the paper was one of a private nature which was before the Committee.

The above circumstances somewhat diminish the gravity of the offence, but I have informed the correspondent that if I refrain from removing his name from the Lobby list it is only upon the express understanding that he will not in future be the medium of communicating the contents of any "Confidential" Parliamentary paper to the press, and that any action of that kind by a Lobby correspondent will render such correspondent liable to exclusion from the Lobby.

I remain,

Yours very truly,
W. C. Gully.

The Committee deliberated.

DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows : —

"THE Select Committee appointed to consider so much of His Majesty's Speech to both Houses at the opening of Parliament as relates to the Civil List, and His Majesty's Most Gracious Message of the 5th March relating to Grants to Her Majesty the Queen and Members of His Majesty's family :—Have considered the matters and papers to them referred and have agreed to the following Report :—

" 1. At the outset it may be convenient to recite the charges on the Consolidated Fund in respect of the Royal Family as they stood at the death of Her late Majesty. These may be stated as follows, so far as they come within the purview of the Committee :—

	£.
" (1.) Her Majesty's Civil List (omitting Class V., pensions granted under 1 Vict. c. 2, s. 5) - - - - -	385,000
" (2.) His Royal Highness the Prince of Wales (26 Vict. c. 1) - - - - -	40,000
" (3.) Her Royal Highness the Princess of Wales (26 Vict. c. 1) - - - - -	10,000
" (4.) Annuity under Prince of Wales' Children Act, 1889 (52 & 53 Vict. c. 35) - - - - -	36,000
	<hr/>
	£. 471,000

" Other annuities to members of the Royal Family, amounting to 72,000*l.* per annum, are not affected by the death of Her late Majesty, and therefore need not for present purposes be referred to.

" The Civil List charge and that under the Act of 1889 (Nos. 1 and 4) continue until 22nd July next, being six months from the death of Her late Majesty; the annuity to the Prince of Wales ceased at Her late Majesty's death; and the annuity assigned to the Princess of Wales continues to be payable to Her present Majesty during Her marriage with His present Majesty. It should be added that Her present Majesty is under the Act 26 Vict. c. 1 entitled to an annuity of 30,000*l.* in the event of widowhood.

" 2. In performing the duty entrusted to them by the House, of considering the Estimate laid before them for the future Civil List of the Sovereign (Appendix, Part VII.), your Committee have been guided to a considerable extent by the actual expenditure during the last ten years of the late reign. In the Papers laid before Parliament by command of His Majesty (Appendix, Part II.) will be found full information on this subject, of the same kind as was given on previous occasions. From this it appears that in each of the last ten years it has been necessary to supplement from the Privy Purse the amount of 172,500*l.* at which Class III. (Expenses of the Household) was fixed by the Civil List Act of 1837. The Privy Purse was enabled to make good the deficiencies on that Class owing to the Savings on the total amount of the Civil List which had accrued to it during the previous portion of the reign, as appears in Part I. of the Appendix. It has therefore not been necessary for Her late Majesty to make any application to Parliament in respect of the increased expenditure of recent years. But the fact that such increase has occurred must be carefully borne in mind in considering the amount of the new Civil List, which can no longer be supplemented from the source referred to. In the interest both of the Crown and of the Public it is essential that the former should, as has happily been the case during the late reign, avoid the necessity of special recourse to Parliament in respect of debts.

" 3. Your Committee proceed to report the results of their detailed consideration of the five classes of the new Civil List as submitted to them by His Majesty's Government (Appendix, Part VII.).

" 4. With respect to the First Class, which provides for the Privy Purse of their Majesties the King and Queen, your Committee, from the nature of the subject, have felt themselves precluded from enquiry. But having regard to precedent, they consider that they are making a reasonable proposition in recommending to the House to allot the sum of 110,000*l.* to this class, that being the amount at which the Privy Purse of King William the IV. and Queen Adelaide was fixed in 1830.

" 5. The Second Class comprehends not only the salaries of the Officers of State, but also other annual payments to persons belonging to the Court and the wages of servants. The Committee, in their enquiries into this Class, confined themselves mainly to the Officers of State, not thinking it consistent with the respect due to His Majesty to scrutinise the details of His domestic Household. The estimate of the ultimate future charge for salaries in each of the three Household Departments, submitted to the Committee by His Majesty's Government, was based upon proposals for the abolition of unnecessary offices, and for the reduction of salaries as vacancies occur. The following reduction should be mentioned as affecting Parliamentary Officers :—

Treasurer of the Household, from 904*l.* to 700*l.*
 Comptroller of the Household, from 904*l.* to 700*l.*
 Vice-Chamberlain, from 900*l.* to 700*l.*
 Parliamentary Lords-in-Waiting, from seven at 700*l.* to five at 600*l.*
 Captain of the Gentlemen-at-Arms, from 1,200*l.* to 1,000*l.*
 Captain of the Yeomen of the Guard, from 2,500*l.* to 2,000*l.*
 Master of the Horse, from 2,500*l.* to 2,000*l.*

‘ Class II.

"Class II. contained provision of 1,500*l.* for the Salary of the Master of the Buckhounds, and about 700*l.* for wages of the Huntsmen and Hunt Servants. Your Committee do not think it advisable that the Mastership of the Buckhounds should be continued as a Parliamentary Office, or at its present salary, nor do they think it necessary that the Royal Hunt should be maintained. They feel that it is for the Sovereign to decide whether and in what form encouragement should be given by His Majesty to any particular national sport; and they do not consider it desirable to impose on His Majesty an obligation to do so by devoting a portion of the Civil List specially to that object. They have therefore struck out from Class II. the sum of 2,200*l.* in respect of the items of 1,500*l.* and 700*l.* mentioned above; and from Class III. the sum of 4,000*l.* included therein (under the Master of the Horse's Department) for expenses of the Hunt.

"7. Your Committee recommend that provision should be made in Class II. for 'the King's Personal Staff.' This includes His Majesty's Private Secretary and Assistants, the Keeper of the Privy Purse and his Staff, and others whose services are no less necessary to His Majesty than those of the Staff in the Departments of the three Great Officers of the Household. The sum of 10,500*l.* is inserted to cover these charges.

"They recommend that the provision in Class II. for the Salaries, &c., of the Household Departments should be as follows:—

	£.
The Lord Steward's Department - - - - -	29,000
The Lord Chamberlain's Department (including the Mistress of the Robes and other Members of the Queen Consort's Court) - - - - -	59,500
The Master of the Horse's Department - - - - -	26,800

making, with the provision for the King's Personal Staff, a total for the Class of 125,800*l.*

"8. In the total of Class II. your Committee have included a sum to enable His Majesty to provide temporarily for the full salaries of offices which it is proposed ultimately to abolish or reduce, or for compensations on abolition, and also for the grant of pensions to servants who may gradually become incapacitated for further service. But they recommend that the Class shall be relieved from the present non-effective charge amounting to approximately 12,000*l.*, and this sum, together with such further amount, not exceeding in all 13,000*l.* per annum, as may be necessary to provide for those members of Her late Majesty's Household who are entitled to pensions, and whose services will no longer be required, should be charged on the Consolidated Fund.

"As the pensions so charged fall in, the public will reap the benefit, until the total amount of 25,000*l.* per annum has disappeared.

9. Your Committee next proceeded to inquire into the Third Class, viz., that for the expenditure in the Departments of the Lord Steward, the Lord Chamberlain, and the Master of the Horse. The amount allotted to this Class was fixed at 172,500*l.* in the last reign, and the class will in future be relieved of certain items as follows:—

"(a) £10,000 for decoration and other internal works at Windsor Castle and Buckingham Palace, transferred to the new Class IV. (paragraph 10).

"(b) £4,000 for Hunt expenses struck out (paragraph 6).

"(c) £5,000, the former provision for expenses of the Mistress of the Robes.

"(d) £3,360 formerly paid as a contribution towards 'Queen's Premiums' on Horses which your Committee recommend should in future be added to the sum hitherto provided for this purpose in the Vote for Miscellaneous Expenses, Class VII., Vote 2, of the Civil Service Estimates. It may here be noted that by the removal of this item, together with the net effect of some minor adjustments, the Civil List will be relieved to the amount of about 5,000*l.* per annum.

"After making these allowances, however, your Committee still feel that, in order to ensure that no restriction should be imposed upon the hospitality of the Sovereign, and that his comfort should not be interfered with, it is necessary that the amount allotted to this Class should be increased, and having regard to the experience of recent years they recommend that there should be provided—

	£.
" For the Lord Steward - - - - -	107,500
" Lord Chamberlain - - - - -	44,500
" Master of the Horse - - - - -	41,000

" Making the total of Class III. - - £. 193,000

"10. The proposed Fourth Class required special explanation. It consists of a sum of 10,000*l.* formerly included under the charges of the Lord Steward's and the Lord Chamberlain's Departments in Class III. for painting, papering, decoration, and other internal works in Windsor Castle and Buckingham Palace; and of a further sum of 10,000*l.* to provide for structural works of alteration and repair in the interiors of those Palaces, such as during the last reign have been paid for from the Vote for Royal Palaces, Class I., Vote 1, of the Civil Service Estimates. In future any works of either kind which his Majesty may command, will be carried out by the Office of Works and charged to this Class of the Civil List, and the Parliamentary Votes will be relieved of a corresponding charge estimated at 10,000*l.* a year.

"11. The

" 11. The Fifth Class is identical with the Fourth Class in the Civil List of 1837, and comprises 9,000*l.* for Royal Bounty and Special Service, and 4,200*l.* for Royal Alms and Charity, in all 13,200*l.*

" 12. Your Committee recommend that the New Civil List should be fixed according to the following Estimate:—

		£.
First Class	- - Their Majesty's Privy Purse	110,000
Second Class	- - Salaries of His Majesty's Household and Retired Allowances.	125,800
Third Class	- - Expenses of His Majesty's Household	193,000
Fourth Class	- - Works	20,000
Fifth Class	- - Royal Bounty, Alms, and Special Services	13,200
Sixth Class	- - Unappropriated	8,000
Total for the Civil List		470,000

" 13. In the foregoing no reference has been made to the pensions granted under Sections 5 and 6 of the last Civil List Act, commonly called 'Civil List Pensions.' With regard to these no suggestion has been made for any alteration, and the Committee accordingly recommend the continuance of the present system, except that the variable amounts payable under this head (Appendix, Part III.) should no longer form a nominal class of the Civil List.

" 14. Your Committee pass to the provision to be made for other members of His Majesty's Family; and in the first place they recommend that an annuity of 20,000*l.* shall be paid out of the Consolidated Fund to His Royal Highness the Duke of Cornwall and York, who has succeeded to the Revenues of the Duchy of Cornwall (Appendix, Part VI.). They also recommend the grant of an annuity of 10,000*l.* to Her Royal Highness the Duchess of Cornwall and York during the continuance of Her marriage with the Duke of Cornwall and York.

" 15. Your Committee have carefully considered whether it would be advisable that any provision, whether immediate or contingent, should be made at the present time for those children of the Heir Apparent who may reach an age at which they may require separate establishments; but in view of the youth of their Royal Highnesses and the consequent uncertainty of the future, they do not recommend that any such provision should be made on the present occasion, and content themselves by recording the fact that nothing for this purpose is included either in the Civil List or in the annuities proposed.

" 16. Your Committee have already called attention to the fact that the annuity granted by the Prince of Wales' Children Act, 1889, ceases on 22nd July 1901. It is therefore necessary to make fresh provision for their Royal Highnesses Princess Louise (Duchess of Fife), Princess Victoria and Princess Maud (Princess Charles of Denmark). Your Committee accordingly recommend that an annuity of 18,000*l.* for their joint lives, diminishing by 6,000*l.* with each death, should, in accordance with the precedent of the Prince of Wales' Children Act, 1889, be paid to trustees by quarterly payments out of the Consolidated Fund. Out of this Fund the Sovereign, with the assent of the First Lord of the Treasury and the Chancellor of the Exchequer, should be empowered to make such assignments and in such manner to their Royal Highnesses as in His discretion He may from time to time think fit.

" 17. Your Committee further recommend that the contingent annuity of 30,000*l.* provided by the Act 26 & 27 Vict. c. 1 for Her Majesty the Queen Consort in the event of Her surviving His present Majesty, should be increased to 70,000*l.*; and that a contingent annuity of 30,000*l.* should be provided for Her Royal Highness the Duchess of Cornwall and York in the event of her surviving His Royal Highness the Duke of Cornwall and York.

" 18. The financial recommendations of the Committee may be summarised as follows:—

	£.
" 1. Civil List (paragraph 12)	470,000
" 2. Annuity to H.R.H. the Duke of Cornwall (paragraph 14)	20,000
" 3. Annuity to H.R.H. the Duchess of Cornwall (paragraph 14)	10,000
" 4. Provision for the King's Daughters (paragraph 16)	18,000
" 5. Charge on Consolidated Fund for Household Pensions (paragraph 8) not exceeding	25,000
Total	£. 543,000

	£.
" For the purpose of comparing this figure with the corresponding charge in the late reign, viz. (paragraph 1)	471,000
" There should be added to the latter the sum transferred from Votes to the Civil List (paragraph 10), viz.	10,000
	481,000
" And there should be deducted the amount of the charges of which it is proposed (paragraph 9) to relieve the Civil List, viz.	5,000
	476,000

	£.
"The net increase proposed is therefore - - - - -	67,000
"Falling ultimately, when the pension charge of - - - - -	25,000
"(No. 5 above) disappears, to - - - - -	42,000

"19. In conclusion, your Committee desire to state that they have received from those Ministers of the Crown who are Members of it all the information which they have deemed material to the objects of their Inquiry.

"March 1891."

DRAFT REPORT, proposed by Mr. *Labouchere*, read the first time, as follows :—

"1. In considering an estimate for the future Civil List of the Sovereign, your Committee have not taken into consideration the renunciation on the part of His Majesty of the revenues derived from the Crown Lands, and from certain hereditary revenues. Your Committee are of opinion that they are not in any sense the private property of the Sovereign, but they form part of the State revenues charged with the cost of the Civil Government of the country. The misconception seems to be due to the preamble of the Civil List Act of George III., in which it is set forth that His Majesty renounces them for himself, and this renunciation has been repeated in all subsequent Civil List Acts. No such renunciation is to be found in the earlier Civil List Acts, and no personal claim to them was made in these Acts.

"2. Your Committee have been guided by the expenditure during the late reign, and they have had before them papers conveying to them full information in regard to all details of that expenditure.

"3. By Act 1 Vict. c. 2, entitled 'An Act for the support of Her Majesty's Household, and the Honour and Dignity of the Crown of the United Kingdom of Great Britain and Ireland,' the sum of 385,000*l.* per annum was voted to Her Majesty for Her life.

"4. This sum was apportioned between six classes, as follows :—

	£.
"First Class.—For Her Majesty's Privy Purse - - - - -	60,000
"Second Class.—Salaries of Her Majesty's Household and Retired Allowances - - - - -	131,260
"Third Class.—Expenses of Her Majesty's Household - - - - -	172,500
"Fourth Class.—Royal Bounty Alms, Special Sources - - - - -	13,200
"Fifth Class.—Pensions to the extent of 1,200 <i>l.</i> per annum - - - - -	—
"Sixth Class.—Unappropriated Monies - - - - -	8,040
	£. 385,000

"5. Her Majesty also enjoyed during Her reign the net revenues of the Duchy of Lancaster. In 1838, these net revenues amounted to 5,000*l.*; in 1899, they amounted to 60,000*l.*

"6. The 9th Clause of the Act is as follows :—

"IX. Provided always, and be it enacted, That if any Saving or Surplus shall arise in any Quarter in respect of any money appropriated for defraying the Charges of any particular Class, so as that the Sum appropriated thereto shall be more than sufficient for the full and complete Payment of the Charges thereon, such quarterly Saving or Surplus shall in every such case be carried forward in the Exchequer to the Account and Credit and be applied for the Purposes of the Class in which it shall have arisen, until the Thirty-first Day of December in every Year; and whenever any such Saving or Surplus remaining at the End of the Year shall have arisen in any of the Classes of the Civil List, then it shall be lawful for the Lord High Treasurer, or Commissioners of the Treasury for the time being, or any Three or more of them, to direct the same to be applied in aid of the Charges or Expenses of any other Class (except the Fifth Class), or of any Charge or Charges upon Her Majesty's Civil List Revenues, in such manner as may, under the Circumstances, appear to be most expedient: Provided always, that the Charge upon the Fifth Class shall in no Case exceed the Sum by this Act limited for that Class.

"7. From the wording of these clauses, it would appear that the intention of the Act was that, if in any year a surplus remained in any one or more of the following classes at the end of the year, and if there was a deficit at the end of the same year in any other of these classes, the surplus was to go to make up the deficit; but that, if there was a surplus at the end of the year in one or more of these classes, and no deficit in any other of them, then the unexpended money was not to be appropriated.

"8. During Her late Majesty's reign the payments in aid of 3rd Class from the Privy Purse, Reserve Fund, and old Balances amounted to 170,256*l.* 9*s.* 4*d.*, and the payments to Her late Majesty's Privy Purse and to the Reserve Fund have amounted to 824,025*l.* 2*s.* The sum of 653,768*l.* 2*s.* 8*d.*, therefore, accrued to the Privy Purse, in consequence of amounts allocated to other Classes having been in excess of expenditure.

"9. As

"9. As it was held by the Treasury that any excess of amount allocated over expenditure in any Class could be transferred to another Class, although there might have been no deficit in the Class to which the transfer was made, there would seem no special necessity why there should be any Parliamentary assignments. Moreover, there are many items of expenditure in the respective Classes in regard to which your Committee are not prepared to express their approval.

"10. In the Departments of the Lord Steward, of the Lord Chamberlain, of the Master of the Horse, and of the Mistress of the Robes, there were during the reign of Her late Majesty, 17 paid Officials, who are termed "Political Officers." The occupants of these offices changed with a change in Her Majesty's Ministry. With one single exception, they were always selected from the Members of the House of Lords, and with very few exceptions, from such Members as were the adherents of the Ministry assuming Office. Thus the Civil List was burthened with salaries which were, to all intents and purposes, pecuniary encouragements to Members of the House of Lords to support the Ministry in Office, although an examination of the details of the expenditure in the above Departments shows that there was a staff of well paid permanent officials to administer them.

"11. The sum of 4,601*l.* was expended in the Department of the Lord Steward, and of 1,521*l.* in the Department of the Lord Chamberlain for "Ecclesiastical Salaries and Allowances." That the Sovereign should have a Chaplain or even two Chaplains of the religious denomination to which He belongs would be reasonable; but it would appear that the late Sovereign had 36 paid Chaplains, and that in other ways this money was expended in what seems to have been an endowment of the State Church of England out of public funds.

"12. The cost of the Buckhounds amounted to about 4,700*l.* per annum, exclusive of the salary of 1,500*l.* to their master, who was a "political officer." These dogs appear to have chased tame stags. It has been suggested that in lieu of these Buckhounds there should be a pack of Foxhounds. There would seem, however, no reason why a Parliamentary assignment of money should be made in order to maintain a pack of hounds either to pursue stags or foxes in Berkshire.

"13. There are many other items of expenditure in the assignments of outlay in the several Classes which appear to your Committee to be unnecessary.

"14. Your Committee therefore recommend that there be no Parliamentary assignments of specific sums to separate Classes, but that a lump sum be voted for the Civil List, leaving it to His Majesty to spend it as he deems best for the maintenance of the State and Dignity of the Crown, and the support of his household, and that in this sum a provision be included for the Privy Purse of Her Majesty the Queen.

"15. In estimating the amount of the sum, it is necessary to take into consideration that His Majesty will receive 60,000*l.* per annum from the revenues of the Duchy of Lancaster. The difference between the revenues of the Duchy of Lancaster in 1838 and 1900 are practically an addition of 55,000*l.* per annum to the Privy Purse of the Sovereign, over what was deemed an adequate provision by the Civil List Act of Queen Victoria.

"16. The household of Her Majesty the Queen will not involve any expenditure over that of Queen Victoria, for Her late Majesty maintained a household both of ladies and of gentlemen as reigning Sovereign.

"17. Your Committee, bearing in mind that a grant of 30,000*l.* per annum was made to the late Prince Consort, are of opinion that a similar grant should be included in the Civil List for the Privy Purse of Her Majesty the Queen, but that otherwise no addition is needed to the amount of the Civil List granted to Queen Victoria. They therefore recommend that His Majesty be granted a Civil List of 415,000*l.*, inclusive of 30,000*l.* per annum, as a provision for the Privy Purse of Her Majesty the Queen. They are of opinion that experience has proved that the above mentioned sum will be amply sufficient to maintain the State and Dignity of the Crown, to support His Majesty's household, and to leave an adequate surplus to cover His Majesty's private expenditure.

"18. The amount paid in retired allowances by Her late Majesty was a little over 12,000*l.* in the last year of Her reign. It is estimated that a further sum of 13,000*l.* per annum will be necessary in order to provide for those of Her late Majesty's officers and servants who will not be taken on by His Majesty. The latter amount might be legitimately provided from the Consolidated Fund, but the former amount, or a portion of it, ought to remain a charge on the Civil List, as during the first years of His Majesty's reign, it is obvious there will be only very little, if anything, payable for retired allowances granted to His officers and servants.

"19. Your Committee have had under their consideration whether a grant should be made to their Royal Highnesses the Duke and Duchess of Cornwall. His Royal Highness the Duke receives 60,000*l.* per annum from the revenues of the Duchy of Cornwall. Your Committee are of opinion that this sum will enable him adequately to maintain the State and Dignity of the heir-presumptive of the Throne. But they recommend that a grant of 10,000*l.* per annum be made to Her Royal Highness the Duchess of Cornwall.

"20. Your Committee further recommend that a grant of 18,000*l.* per annum be made in respect to the three daughters of His Majesty, such amount being distributed between them as His Majesty may best please; but that in the event of one of their Royal Highnesses predeceasing His Majesty, such grant should be reduced by 6,000*l.*, and by 12,000*l.* in the event of two of them predeceasing His Majesty. This grant of 18,000*l.* per annum your Committee recommend on the distinct understanding that no further pecuniary demands will be made in respect to their Royal Highnesses.

"21. Yours

" 21. Your Committee recommend that the contingent annuity of 30,000*l.* provided by the Act 26 & 27 Victoria for Her Majesty the Queen, which in the event of Her Majesty surviving His present Majesty should be increased to 50,000*l.*

" 22. In making the above recommendations, your Committee have not deemed it within the scope of their inquiry to consider whether continuance of the pomp and pride and ceremony of a Court is desirable. This question was not referred to them. They were limited by the terms of reference to the consideration of what sum was needed to keep up a Court, and to provide for the comfort of the Sovereign, on a scale such as the country has been accustomed to during the reign of a Queen, who so well maintained the State and Dignity of the Crown, and whose loss all deplore. Suggestions have been rife that the cost of living has gone up among the wealthier classes since Her late Majesty ascended the Throne. This idea seems to be due to the present ostentatious expenditure among some of those who have suddenly acquired large fortunes. But your Committee do not believe that the Sovereign would desire to enter into a monetary competition with such persons, or to encourage by His example such vainglorious prodigality on the part of His subjects. Your Committee have treated the questions referred to them in as generous a spirit as is consistent with a proper regard to the interests of the taxpayers, and they are convinced that they are acting in accordance with the wishes of His Majesty in the provision that they recommend for His Majesty's Civil List, for Her Majesty the Queen, and for His Majesty's children."

Motion made and Question proposed, that the Draft Report, proposed by the *Chairman*, be read a second time paragraph by paragraph—(*The Chairman*).—Amendment proposed to leave out the words "The Chairman" in order to insert the words "Mr. Labouchere," instead thereof,—(*Mr. Labouchere*).—Question put, That the words "The Chairman," stand part of the Question. The Committee divided :

Ayes, 14.

Mr. Balfour.
Mr. Bartley.
Sir J. Brunner.
Sir William Hart Dyke.
Sir Henry Fowler.
Sir William Harcourt.
Sir Samuel Hoare.
Mr. Macartney.
Mr. McKenna.
Mr. Mildmay.
Mr. Renshaw.
Mr. W. F. D. Smith.
Mr. Stevenson.
Mr. Warr.

Noes, 1.

Mr. Labouchere.

Main Question put and *agreed to*.

Draft Report, proposed by the *Chairman* read a second time, paragraph by paragraph.

Paragraph 1, *agreed to*.

Paragraph 2, amended, and *agreed to*.

Paragraph 3 and 4, *agreed to*.

Paragraph 5.

Amendment proposed, in line 3, to leave out from the word "not" to the word "Household" in line 4 (both inclusive)—(*Mr. McKenna*).—Question, That the words proposed to be left out stand part of the paragraph,—put, and *agreed to*.

Another Amendment proposed, in line 7, after the word "occur" to insert the words "but in the judgment of the Committee further retrenchments in connection with offices in the Royal Household and otherwise might be made. The settlement of a new Civil List affords the proper opportunity for a thorough reconsideration of regal expenditure, and the Committee are of opinion that an inquiry should be made into the duties and emoluments of all employments in the Royal Household, with a view to determining the extent to which the charge of the Civil List might be lessened without impairing the appropriate provision for the comfort of the Sovereign and the dignity and splendour of the Court"—(*Mr. McKenna*).—Question, That those words be there inserted,—put, and *negatived*.

Paragraph as amended, *agreed to*.

Paragraph 6, amended, and *agreed to*

Paragraph 7, *agreed to*.

Paragraphs 8–10 amended, and *agreed to*

Paragraphs 11 and 12, *agreed to*.

Paragraph 13 amended, and *agreed to*.

Paragraphs 14–17, *agreed to*.

Paragraph 18, amended, and *agreed to*.

Paragraph 19, *agreed to*.

Question, That this Report, as amended, be the Report of the Committee to the House.

Ordered to Report, together with an Appendix.

A P P E N D I X.

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ACCOUNT I.

An Account showing the Amount appropriated to the uses of Her late Majesty's Civil List for each Year (except 1837) of Her Reign, together with the Charges authorised.

Year.	Sum appropriated by Civil List Act to each Class.	Charge authorised.						Paid to Her Majesty's Privy Purse.	Paid to Reserve Fund.	Payments in aid of 3rd Class from Privy Purse, Reserve Fund, and old Balances.														
		1st Class.			2nd Class.						3rd Class.			4th Class.			6th Class.			Totals.				
		£.	s.	d.	£.	s.	d.				£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.
1838	-	60,000	-	-	131,280	-	-	172,218	16	3	12,200	-	-	3,072	17	9	378,751	14	-	6,248	6	-	-	-
1839	-	"	"	"	131,280	-	-	168,965	4	11	13,200	-	-	2,145	10	1	375,370	15	-	3,534	15	1	5,894	9 11
1840	-	"	"	"	130,461	11	11	172,500	-	-	"	"	"	3,984	-	8	380,145	12	7	798	8	1	4,055	19 4
1841	-	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	7,000	-	-	2,065	3 3
1842	-	"	"	"	131,334	12	7	169,999	15	9	"	"	"	4,266	9	-	378,800	17	4	-	-	-	1,125	3 10
1843	-	"	"	"	131,280	-	-	168,771	3	7	"	"	"	1,994	14	11	375,225	18	6	5,000	-	-	4,774	1 6
1844	-	"	"	"	130,191	3	5	159,300	15	-	"	"	"	1,700	-	-	364,481	18	5	15,518	1	7	5,000	-
1845	-	"	"	"	129,533	15	11	143,717	5	8	"	"	"	1,700	-	-	348,151	1	7	33,024	17	9	3,824	- 8
1846	-	"	"	"	130,524	16	2	142,158	11	2	"	"	"	1,700	-	-	347,583	7	4	37,416	12	8	-	-
1847	-	"	"	"	130,127	10	1	147,191	14	5	"	"	"	1,700	-	-	352,219	4	6	32,780	15	6	-	-
1848	-	"	"	"	129,031	14	4	146,689	8	0	"	"	"	1,700	-	-	350,621	2	10	34,378	17	2	-	-
1849	-	"	"	"	128,514	2	11	149,569	17	4	"	"	"	1,700	-	-	352,084	-	3	27,676	12	10	4,339	6 11
1850	-	"	"	"	127,828	18	9	158,472	12	11	"	"	"	1,700	-	-	361,201	11	8	23,798	8	4	-	-
1851	-	"	"	"	128,139	13	1	157,132	13	10	"	"	"	1,700	-	-	360,172	6	11	24,827	13	1	-	-
1852	-	"	"	"	127,680	9	1	161,878	17	4	"	"	"	1,700	-	-	364,439	6	5	20,560	13	7	-	-
1853	-	"	"	"	127,772	10	6	169,193	8	1	"	"	"	1,700	-	-	371,865	18	7	13,134	1	5	-	-
1854	-	"	"	"	128,700	2	2	165,510	11	8	"	"	"	1,700	-	-	367,110	13	10	17,889	6	2	-	-
1855	-	"	"	"	128,731	15	8	173,007	10	6	"	"	"	2,872	6	2	375,811	12	4	6,168	17	-	3,019	10 8
1856	-	"	"	"	125,441	17	2	192,985	17	10	"	"	"	1,700	-	-	393,327	15	-	-	-	-	Cr. 5,000	-
1857	-	"	"	"	125,137	5	-	173,038	2	2	"	"	"	5,700	-	-	377,075	7	2	4,596	17	10	-	-

Year	3rd Class	Expenses of Her Majesty's Household, 172,500 <i>l</i> .	4th Class	Royal Bounty, Allowances, and Special Services, 13,200 <i>l</i> .	6th Class	Unappropriated Money, 8,040 <i>l</i> .	Total - £395,000.
1858	123,467 8 7	173,621 3 -	173,621 3 -	173,621 3 -	173,621 3 -	173,621 3 -	173,621 3 -
1859	125,384 10 11	165,385 8 2	165,385 8 2	165,385 8 2	165,385 8 2	165,385 8 2	165,385 8 2
1860	125,246 7 1	169,903 14 8	169,903 14 8	169,903 14 8	169,903 14 8	169,903 14 8	169,903 14 8
1861	125,844 4 8	168,775 - 6	168,775 - 6	168,775 - 6	168,775 - 6	168,775 - 6	168,775 - 6
1862	125,051 13 3	156,474 8 -	156,474 8 -	156,474 8 -	156,474 8 -	156,474 8 -	156,474 8 -
1863	126,059 5 10	171,938 13 10	171,938 13 10	171,938 13 10	171,938 13 10	171,938 13 10	171,938 13 10
1864	125,428 17 -	164,008 1 6	164,008 1 6	164,008 1 6	164,008 1 6	164,008 1 6	164,008 1 6
1865	124,059 4 3	167,502 11 3	167,502 11 3	167,502 11 3	167,502 11 3	167,502 11 3	167,502 11 3
1866	124,818 8 10	168,768 16 2	168,768 16 2	168,768 16 2	168,768 16 2	168,768 16 2	168,768 16 2
1867	125,448 19 8	166,375 8 6	166,375 8 6	166,375 8 6	166,375 8 6	166,375 8 6	166,375 8 6
1868	126,255 10 5	166,016 4 11	166,016 4 11	166,016 4 11	166,016 4 11	166,016 4 11	166,016 4 11
1869	124,880 14 10	160,721 4 3	160,721 4 3	160,721 4 3	160,721 4 3	160,721 4 3	160,721 4 3
1870	125,709 16 4	157,512 12 -	157,512 12 -	157,512 12 -	157,512 12 -	157,512 12 -	157,512 12 -
1871	125,619 4 10	167,404 15 8	167,404 15 8	167,404 15 8	167,404 15 8	167,404 15 8	167,404 15 8
1872	125,524 2 -	166,830 14 9	166,830 14 9	166,830 14 9	166,830 14 9	166,830 14 9	166,830 14 9
1873	124,413 14 1	172,785 17 11	172,785 17 11	172,785 17 11	172,785 17 11	172,785 17 11	172,785 17 11
1874	124,411 7 6	165,530 3 6	165,530 3 6	165,530 3 6	165,530 3 6	165,530 3 6	165,530 3 6
1875	123,394 8 -	169,904 17 4	169,904 17 4	169,904 17 4	169,904 17 4	169,904 17 4	169,904 17 4
1876	124,274 3 6	159,968 16 9	159,968 16 9	159,968 16 9	159,968 16 9	159,968 16 9	159,968 16 9
1877	123,944 1 11	162,381 12 -	162,381 12 -	162,381 12 -	162,381 12 -	162,381 12 -	162,381 12 -
1878	123,722 12 4	172,009 14 11	172,009 14 11	172,009 14 11	172,009 14 11	172,009 14 11	172,009 14 11
1879	122,031 7 7	171,820 3 9	171,820 3 9	171,820 3 9	171,820 3 9	171,820 3 9	171,820 3 9
1880	124,601 4 6	165,616 4 4	165,616 4 4	165,616 4 4	165,616 4 4	165,616 4 4	165,616 4 4
1881	124,999 13 6	166,781 14 6	166,781 14 6	166,781 14 6	166,781 14 6	166,781 14 6	166,781 14 6
1882	125,049 - 2	176,936 16 3	176,936 16 3	176,936 16 3	176,936 16 3	176,936 16 3	176,936 16 3
1883	125,470 13 9	165,753 16 -	165,753 16 -	165,753 16 -	165,753 16 -	165,753 16 -	165,753 16 -
1884	125,967 9 3	170,682 13 2	170,682 13 2	170,682 13 2	170,682 13 2	170,682 13 2	170,682 13 2
1885	126,731 18 2	177,815 12 4	177,815 12 4	177,815 12 4	177,815 12 4	177,815 12 4	177,815 12 4

* The accounts for 1841 are not forthcoming.

ACCOUNT I. (continued).

Year.	Sum appropriated by Civil List Act to each Class.	Charge authorised.						Paid to Her Majesty's Privy Purse.	Paid to Reserve Fund.	Payments in aid of 3rd Class from Privy Purse, Reserve Fund, and old Balances.									
		1st Class.		2nd Class.		3rd Class.					4th Class.		6th Class.		Totals.				
		£.	s. d.	£.	s. d.	£.	s. d.				£.	s. d.	£.	s. d.		£.	s. d.		
1886		60,000	- -	125,926	5 5	182,545	10 2	13,200	-	1,700	-	382,771	15 7	2,928	4 5	-	-	-	-
1887		"	"	129,013	11 7	223,089	2 3	"	"	1,700	-	427,002	13 10	-	-	42,602	13 10	-	-
1888		"	"	128,645	10 8	180,867	10 6	"	"	1,700	-	384,413	1 2	586	18 10	-	-	-	-
1889		"	"	130,354	15 -	196,717	16 4	"	"	1,700	-	401,972	11 4	-	-	-	-	-	-
1890		"	"	130,043	14 4	186,116	6 5	"	"	1,700	-	391,060	- 9	-	-	16,972	11 4	-	-
1891		"	"	129,323	1 6	190,943	5 9	"	"	1,700	-	395,166	7 3	-	-	6,060	- 9	-	-
1892		"	"	129,233	8 8	185,347	1 8	"	"	1,700	-	389,480	10 4	-	-	10,166	7 3	-	-
1893	See pages 4 and 5.	"	"	129,349	1 11	199,333	19 4	"	"	1,700	-	403,583	1 3	-	-	4,480	10 4	-	-
1894		"	"	130,300	13 7	196,864	5 8	"	"	1,700	-	402,064	19 3	-	-	18,583	1 3	-	-
1895		"	"	129,792	- -	194,648	19 7	"	"	1,700	-	399,340	19 7	-	-	17,064	19 3	-	-
1896		"	"	128,259	10 7	189,194	14 11	"	"	1,700	-	392,354	5 6	-	-	14,340	19 7	-	-
1897		"	"	129,928	16 1	190,830	3 2	"	"	1,700	-	395,658	19 3	-	-	7,354	5 6	-	-
1898		"	"	127,568	4 9	190,419	14 10	"	"	1,700	-	392,887	19 7	-	-	10,657	19 3	-	-
1899		"	"	125,948	9 3	198,216	12 2	"	"	1,700	-	399,085	1 5	-	-	7,887	19 7	-	-
																	14,085	1 5	-
		Totals											764,493	18 2	59,531	3 10	170,256	9 4	

NOTE.—For Class V. (Civil List Pensions) see Account III., page 12.

ACCOUNT II.

DETAILED ACCOUNTS OF CIVIL LIST EXPENDITURE,
1st January 1890 to 31st December 1899.

AN ACCOUNT showing the PAYMENTS which have been made in respect of the CHARGE on the CIVIL LIST,
between 1st January 1890 and 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
FIRST CLASS.										
HER MAJESTY'S PRIVY PURSE - - -	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
SECOND CLASS.										
SALARIES OF HER MAJESTY'S HOUSEHOLD AND RETIRED ALLOWANCES:										
In the Department of the Lord Steward - - - - -	34,336	34,208	34,070	34,535	35,153	35,240	34,211	34,700	32,415	31,330
In the Department of the Lord Chamberlain - - - - -	66,123	65,029	64,463	64,413	64,737	64,623	63,614	64,325	64,720	64,182
In the Department of the Master of the Horse - - - - -	27,948	28,384	28,401	28,657	28,867	28,185	28,741	29,275	28,779	28,946
In the Department of the Mistress of the Robes - - - - -	1,642	1,642	1,679	1,744	1,744	1,744	1,694	1,623	1,654	1,511
TOTAL SALARIES, &c. - - £.	130,044	129,323	129,233	129,349	130,301	129,792	128,260	129,929	127,568	125,968
THIRD CLASS.										
EXPENSES OF HER MAJESTY'S HOUSEHOLD:										
In the Department of the Lord Steward	90,940	97,250	92,241	100,563	96,278	97,158	95,256	95,525	96,521	99,365
In the Department of the Lord Cham- berlain - - - - -	44,403	45,017	43,213	47,193	48,048	46,240	43,751	49,556	44,522	49,199
In the Department of the Master of the Horse - - - - -	46,422	44,921	45,145	47,417	47,596	45,458	46,121	41,679	45,373	45,259
In the Department of the Mistress of the Robes - - - - -	4,201	4,055	4,748	4,131	4,942	5,003	4,646	4,070	4,004	4,384
TOTAL EXPENSES - - - £.	186,116	190,043	185,347	199,304	196,964	194,849	189,194	190,830	190,420	198,217
FOURTH CLASS.										
ROYAL BOUNTY, ALMS, AND SPECIAL SER- VICES - - - - -	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200	13,200
SIXTH CLASS.										
UNAPPROPRIATED - - - - -	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
GRAND TOTAL - - - £.	301,060	295,166	298,580	408,583	402,005	399,035	392,354	395,659	392,888	390,185

ACCOUNT II. (continued).

APPENDIX A.

DETAILS of the CHARGE on CLASS II. of the CIVIL LIST as it stood on 1st January 1900.

DEPARTMENT OF THE LORD STEWARD :	£.	£.	£.
POLITICAL OFFICERS :—Lord Steward - - - - -	2,000		
Treasurer - - - - -	904		
Comptroller - - - - -	904		
		3,808	
Household Salaries and Allowances - - - - -		18,989	
Ecclesiastical Salaries and Allowances - - - - -		4,601	
Non-Effective Charge - - - - -		4,331	
TOTAL, LORD STEWARD - - - - -	£.		31,729
DEPARTMENT OF THE LORD CHAMBERLAIN :	£.		
POLITICAL OFFICERS :—Lord Chamberlain - - - - -	2,000		
Vice Chamberlain - - - - -	900		
Seven Lords-in-Waiting at 700/. - - - - -	4,900		
Captain of Yeomen of Guard - - - - -	1,200		
Captain of Gentlemen-at-Arms - - - - -	1,200		
		10,200	
Ladies of the Court - - - - -		9,100	
Household Salaries and Allowances - - - - -		33,437	
Heralds - - - - -		1,274	
Medical Staff - - - - -		1,598	
Literature and Art - - - - -		3,767	
Ecclesiastical Salaries and Allowances - - - - -		1,521	
Non-effective Charge - - - - -		3,397	
TOTAL, LORD CHAMBERLAIN - - - - -	£.		64,294
DEPARTMENT OF THE MASTER OF THE HORSE :	£.		
POLITICAL OFFICERS :—Master of the Horse - - - - -	2,500		
Master of the Buckhounds - - - - -	1,500		
		4,000	
Salaries and Allowances - - - - -		20,686	
Non-Effective Charge - - - - -		4,121	
TOTAL, MASTER OF THE HORSE - - - - -	£.		28,777
DEPARTMENT OF THE MISTRESS OF THE ROBES :			
POLITICAL OFFICER :—Mistress of the Robes - - - - -		500	
Salaries and Allowances - - - - -		884	
Non-Effective Charge - - - - -		102	
TOTAL, MISTRESS OF THE ROBES - - - - -	£.		1,486
GRAND TOTAL, CHARGE ON CLASS II. - - - - -	£.		136,286

ACCOUNT II. (continued).

APPENDIX B.

DETAILS of the EXPENDITURE CHARGED to CLASS III. of the CIVIL LIST.

1.—DEPARTMENT OF THE LORD STEWARD.

A RETURN of EXPENSES incurred in the DEPARTMENT of the LORD STEWARD, showing the AMOUNT expended in each year under various headings from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
BUCKINGHAM PALACE	7,882	9,300	6,017	9,998	8,325	8,347	7,151	17,197	8,537	8,046
WINDSOR CASTLE	17,736	19,445	17,712	18,758	18,480	19,941	17,202	18,499	16,817	20,598
OSBORNE	12,342	12,652	13,677	13,121	14,200	12,705	13,000	13,262	13,093	12,513
BALMORAL	11,582	12,505	11,890	12,041	11,806	11,213	11,894	9,191	9,856	10,590
HER MAJESTY'S FOREIGN VISIT	1,983	3,102	2,393	2,795	2,422	3,114	3,450	3,504	3,797	4,383
ST. JAMES' PALACE	6,153	6,370	6,401	5,406	5,131	5,421	1,425	—	—	—
BOARD WAGES	7,322	7,323	7,390	7,340	7,370	7,300	7,295	7,263	7,423	7,446
TRAVELLING	1,112	1,146	963	833	689	730	661	1,205	852	655
FROGMORE	150	102	181	173	210	201	165	184	199	211
CLAREMONT	126	43	3	2	2	25	2	1	1	3
ALDERSHOT	86	89	99	90	218	268	109	130	245	104
HOLYROOD	124	133	125	118	113	93	90	91	106	94
ASCOT(2) AND KENT HOUSE(1)	—	—	—	258 ⁽¹⁾	—	—	—	—	10 ⁽²⁾	—
ROYAL GARDENS	10,613	11,224	11,641	11,142	11,637	11,519	12,348	13,035	13,070	13,239
ROYAL LAUNDRY	2,433	2,339	2,273	3,068	4,081	4,786	4,128	3,583	3,406	3,451
ELECTRIC LIGHTING	826	1,073	952	1,900	656	911	1,143	1,444	840	1,583
ROYAL MAUNDY	222	225	228	231	234	237	240	243	247	250
ROYAL YACHT	958	1,296	545	672	591	608	670	612	567	631
VISIT OF KING OF SIAM	—	—	—	—	—	—	—	944	—	—
SUNDRIES	7,550	9,327	8,168	11,795	9,553	9,923	14,830	20,994	16,905	15,584
INCOME TAX	2,150	2,150	2,150	2,419	2,777	2,867	2,867	2,867	2,867	2,867
GROSS TOTAL	91,300	99,908	92,968	102,169	98,505	100,218	98,748	123,189	98,843	102,248
LESS SUMS RECEIVED IN AID	360	2,658	727	1,576	2,227	3,060	3,492	27,664	2,322	2,883
NET TOTAL	90,940	97,250	92,241	100,593	96,278	97,158	95,256	95,525	96,521	99,365

ACCOUNT II. (continued).

APPENDIX B.

2.—DEPARTMENT OF THE LORD CHAMBERLAIN.

A RETURN of EXPENSES incurred in the DEPARTMENT of the LORD CHAMBERLAIN, showing the amount expended in each year under various headings from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
ORDINARIES:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
BUCKINGHAM PALACE - - - - -	10,014	9,906	9,909	10,928	9,917	9,354	8,648	12,878	7,816	9,321
WINDSOR CASTLE AND LODGES - - -	15,174	11,928	12,440	12,308	14,806	15,048	14,508	14,022	14,404	15,358
VISIT OF GERMAN EMPEROR - - -	—	1,768	—	—	—	—	—	—	—	465
HOLYROOD - - - - -	647	586	690	845	751	893	972	861	687	803
MARRIAGE OF (1) PRINCESS LOUISE OF WALES, (2) DUKE OF YORK.	—	(1) 575	—	(2) 1,889	—	—	—	—	—	—
FUNERAL OF (1) DUKE OF CLARENCE, (2) DUCHESS OF TECK.	—	—	(1) 514	—	—	—	—	(2) 680	—	—
MEDICAL ALLOWANCES - - - - -	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150	2,150
ALDERSHOT AND CLAREMONT - - -	341	521	623	327	612	426	499	502	465	592
ROYAL LAUNDRY (MOIETY OF EXPENSES) -	2,438	2,339	2,273	2,370	2,297	2,308	1,979	1,682	1,618	1,683
ELECTRIC LIGHTING AND TELEPHONE -	275	405	390	753	337	463	479	686	264	693
REPAIRING ROYAL VAULT - - - - -	—	—	—	—	—	—	—	—	—	1,000
HER MAJESTY'S FOREIGN VISIT - - -	749	2,388	2,761	963	2,518	2,556	2,128	3,455	3,551	3,771
SUNDRIES - - - - -	7,979	10,352	7,727	8,816	9,125	8,199	7,340	10,984	9,520	10,081
TOTAL - - -	39,767	42,971	39,677	41,249	42,513	41,397	38,693	57,850	40,475	45,917
INTERIOR WORKS:										
BUCKINGHAM PALACE - - - - -	2,983	2,370	2,173	4,203	3,586	2,917	3,090	3,862	2,074	1,856
WINDSOR CASTLE - - - - -	2,442	2,311	2,002	2,109	2,126	2,206	1,989	1,903	2,284	1,539
ST. JAMES' PALACE - - - - -	—	—	374	—	—	—	—	—	—	—
MARRIAGE OF PRINCESS MAUD OF WALES -	—	—	—	—	—	—	1,337	—	—	—
FUNERAL OF PRINCE HENRY OF BATTENBURG.	—	—	—	—	—	—	933	—	—	—
TOTAL - - -	5,425	4,681	4,549	6,312	5,712	5,123	7,349	5,765	4,358	3,394
TOTAL ORDINARIES - - - - -	39,767	42,971	39,677	41,249	42,513	41,397	38,693	57,850	40,475	45,917
TOTAL INTERIOR WORKS - - - - -	5,425	4,681	4,549	6,312	5,712	5,123	7,349	5,765	4,358	3,394
INCOME TAX - - - - -	1,050	1,050	1,050	1,181	1,356	1,400	1,400	1,400	1,400	1,400
GROSS TOTAL - - -	46,242	48,702	45,276	48,742	49,581	47,920	47,442	65,015	46,233	50,711
GRANTS RECEIVED IN AID - - -	1,749	3,085	2,063	1,549	1,533	1,580	3,091	15,459	1,711	1,512
NET TOTAL - - -	44,493	45,617	43,213	47,193	41,048	46,340	43,751	49,556	44,522	49,199

ACCOUNT II. (continued).

APPENDIX B.

3.—DEPARTMENT OF THE MASTER OF THE HORSE.

A RETURN of EXPENSES incurred in the DEPARTMENT of the MASTER OF THE HORSE, showing the Amount Expended in each Quarter under various headings from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
LIVERIES - - - - -	6,088	5,860	6,390	5,503	6,215	5,747	6,529	8,979	6,108	5,725
FORAGE - - - - -	6,438	6,801	7,421	7,708	7,242	4,806	5,806	5,522	5,280	5,806
FARRIERY - - - - -	1,117	1,083	1,125	1,043	1,035	1,058	1,058	1,196	1,070	1,267
HORSES - - - - -	3,112	2,276	1,577	1,028	3,082	5,501	4,743	4,144	4,712	4,742
CARRIAGES - - - - -	2,096	2,546	2,430	2,154	2,203	2,170	2,118	5,429	3,246	2,441
HARNESS AND SADDLERY - - - -	1,226	1,292	1,870	1,981	1,080	1,893	1,653	5,392	861	1,411
SUNDRY EXPENSES - - - - -	4,341	4,382	4,407	4,502	4,350	4,411	4,805	6,166	4,506	4,467
TRAVELLING EXPENSES - - - - -	8,834	10,816	9,212	9,833	10,965	9,094	10,230	14,202	9,131	9,774
DITTO - - H.M.'s FOREIGN VISIT	1,319	727	774	1,191	1,186	1,139	1,015	1,008	1,390	1,298
STUD AND PARK EXPENSES - - - -	5,387	4,636	3,295	5,426	4,123	3,490	2,629	2,575	2,771	2,364
ROYAL HUNT EXPENSES - - - - -	4,368	4,000	4,279	4,503	4,183	4,080	4,182	3,637	4,000	3,588
QUEEN'S PREMIUMS FOR STUD HORSES -	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	3,360	2,310
UPHOLSTERY - - - - -	979	394	1,064	489	1,570	498	1,411	588	1,062	979
INCOME TAX - - - - -	968	968	968	1,111	1,276	1,317	1,317	1,317	1,317	1,317
GROSS TOTAL - - -	49,653	49,160	48,182	50,472	51,305	48,884	50,166	68,670	48,829	47,089
LESS SUMS RECEIVED IN AID -	3,231	5,139	3,087	3,055	4,269	3,426	4,605	21,991	3,456	1,830
NET TOTAL - - -	46,422	44,021	45,145	47,417	47,036	45,458	45,561	46,679	45,373	45,259

4.—DEPARTMENT OF THE MISTRESS OF THE ROBES.

A RETURN of the EXPENSES incurred in the DEPARTMENT of the MISTRESS OF THE ROBES, in each year from 1st January 1890 to 31st December 1899.

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
MISTRESS OF THE ROBES—BILLS - -	4,136	4,530	4,623	3,901	4,781	5,526	3,899	3,908	3,537	4,227
INCOME TAX - - - - -	125	125	125	140	161	167	167	167	167	167
TOTAL - - -	4,261	4,655	4,748	4,131	4,942	5,693	4,066	4,075	3,704	4,394

ACCOUNT II. (continued).

APPENDIX C.

THE LORD CHAMBERLAIN'S DEPARTMENT.

APPROXIMATE ANALYSIS OF EXPENDITURE at BUCKINGHAM PALACE and WINDSOR CASTLE under the head of "ORDINARIES."

	1890.	1891.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.
BUCKINGHAM PALACE:	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Bills - - - -	7,845	7,815	7,525	8,570	6,845	6,584	5,916	10,219	5,679	7,080
Wage and Incidents - - -	2,220	2,188	1,909	2,293	2,331	2,261	2,293	2,209	2,170	2,202
TOTAL - - - £.	10,065	10,003	9,524	10,863	9,176	8,845	8,209	12,518	7,849	9,282
WINDSOR CASTLE:										
Bills - - - -	11,215	7,705	7,678	7,577	9,416	9,804	9,320	8,942	9,516	10,172
Wages and Incidents - - -	3,979	4,215	4,560	4,568	4,710	4,974	4,885	4,861	4,862	5,184
TOTAL - - - £.	15,194	11,920	12,238	12,145	14,126	14,778	14,105	13,803	14,378	15,356

Note. These items refer mainly to the supply and maintenance of furniture and to internal decorations, other than structural works.

Lord Chamberlain's Office,
March 1901.

ACCOUNT III.

CIVIL LIST PENSIONS.

(Class V. of the Civil List.)

STATEMENT of Amounts issued from the Exchequer in each year of Her late Majesty's Reign.

Year.	Amount.	Year.	Amount.
	£. s. d.		£. s. d.
Year ending 5th January, 1838 -	Nil.	Year ending 31st March, 1870 -	20,941 4 6
" " 1839 -	621 4 2	" " 1871 -	21,525 1 7
" " 1840 -	1,545 16 3	" " 1872 -	21,238 17 9
" " 1841 -	2,742 17 9	" " 1873 -	21,909 19 3
" " 1842 -	4,022 3 11	" " 1874 -	21,517 10 7
" " 1843 -	5,120 - -	" " 1875 -	20,963 14 8
" " 1844 -	5,306 17 4	" " 1876 -	21,841 4 6
" " 1845 -	6,284 13 5	" " 1877 -	21,709 19 9
" " 1846 -	7,165 - -	" " 1878 -	21,754 17 9
" " 1847 -	8,051 4 8	" " 1879 -	22,107 15 6
" " 1848 -	8,982 10 -	" " 1880 -	22,467 10 5
" " 1849 -	10,245 - -	" " 1881 -	22,629 7 11
" " 1850 -	11,600 - -	" " 1882 -	22,589 17 7
" " 1851 -	11,481 2 2	" " 1883 -	23,540 19 1
" " 1852 -	12,730 - -	" " 1884 -	23,714 4 6
" " 1853 -	13,588 15 -	" " 1885 -	24,072 9 9
" " 1854 -	14,572 10 -	" " 1886 -	25,020 2 4
Quarter to 5th April, 1854 -	3,842 10 -	" " 1887 -	25,065 8 2
Year ending 31st March, 1855 -	15,310 - -	" " 1888 -	25,470 - 2
" " 1856 -	11,457 10 -	" " 1889 -	25,554 19 11
" " 1857 -	16,532 10 -	" " 1890 -	25,660 16 1
" " 1858 -	16,257 11 -	" " 1891 -	25,060 18 3
" " 1859 -	18,225 - -	" " 1892 -	24,591 17 3
" " 1860 -	18,260 - -	" " 1893 -	22,953 17 3
" " 1861 -	18,160 - -	" " 1894 -	22,360 19 11
" " 1862 -	19,260 10 10	" " 1895 -	22,774 3 1
" " 1863 -	20,327 18 8	" " 1896 -	23,022 3 6
" " 1864 -	20,843 13 6	" " 1897 -	22,578 13 7
" " 1865 -	21,313 - 5	" " 1898 -	23,289 7 2
" " 1866 -	21,498 5 1	" " 1899 -	23,773 10 8
" " 1867 -	22,052 10 -	" " 1900 -	24,059 19 4
" " 1868 -	20,721 5 -		
" " 1869 -	21,629 13 -	TOTAL - - -	1,125,453 3 11

ACCOUNT IV.

WOODS, FORESTS, AND LAND REVENUES OF THE CROWN.

STATEMENT of Gross Income, Gross Expenditure, and Payments into the Exchequer out of the Net Income for each year from January 3, 1837 to March 31, 1900.

YEAR ENDED—	Gross Income.		Gross Expenditure (see note *.)		Payments into Exchequer out of Net Income.		Vote for Office Expenses (actual expenditure).		Net Contribution to Revenue, subject to reduction by the Amounts stated in note †.	
	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.
* 5th January—										
1838 - - - -	298,248	6 5	147,992	16 4	—	—	—	—	—	—
1839 - - - -	319,627	7 6	150,981	10 -	180,000	- -	—	—	—	—
1840 - - - -	319,865	4 3	183,327	- 6	160,000	- -	—	—	—	—
1841 - - - -	342,080	7 4	176,570	9 3	167,500	- -	—	—	—	—
1842 - - - -	349,401	17 6	198,686	14 -	162,000	- -	—	—	—	—
1843 - - - -	318,960	4 11	188,852	5 6	133,000	- -	—	—	—	—
1844 - - - -	339,643	5 8	165,060	13 11	117,500	- -	—	—	—	—
1845 - - - -	335,624	18 4	171,013	9 8	155,000	- -	—	—	—	—
1846 - - - -	317,268	19 9	175,202	1 3	120,000	- -	—	—	—	—
1847 - - - -	331,682	16 10	124,023	3 -	120,000	- -	—	—	—	—
1848 - - - -	325,002	3 5	244,919	9 6	77,000	- -	—	—	—	—
One Quarter to 31st March, 1848 - - - -	91,859	8 5	54,764	8 11	—	—	—	—	—	—
Year to 31st March—										
1849 - - - -	340,275	5 1	207,485	10 8	81,000	- -	—	—	—	—
1850 - - - -	349,097	5 2	192,102	17 11	200,000	- -	—	—	—	—
1851 - - - -	347,356	1 2	179,179	16 8	160,000	- -	—	—	—	—
1852 - - - -	367,489	17 1	150,898	10 2	190,000	- -	—	—	—	—
1853 - - - -	382,396	17 3	101,918	11 6	252,000	- -	20,645	- -	231,355	- -
1854 - - - -	387,417	17 7	131,606	9 8	395,888	9 3	22,329	- -	373,559	- -
1855 - - - -	383,756	15 1	122,132	16 3	272,571	16 8	22,846	- -	249,726	- -
1856 - - - -	410,329	12 -	132,580	5 3	281,515	15 9	21,862	- -	259,654	- -
1857 - - - -	445,688	8 10	169,094	17 2	284,857	1 6	21,664	- -	263,193	- -
1858 - - - -	418,199	8 1	145,930	15 -	276,654	4 1	23,145	- -	253,509	- -
1859 - - - -	417,868	19 5	132,648	12 -	280,040	9 5	22,989	- -	257,051	- -
1860 - - - -	415,358	17 4	117,873	7 5	284,479	5 8	23,514	- -	260,965	- -
1861 - - - -	411,444	16 8	123,687	19 7	290,568	4 7	26,783	- -	263,785	- -
1862 - - - -	417,440	8 4	134,924	3 6	295,000	- -	25,108	- -	269,892	- -
1863 - - - -	432,449	2 1	125,790	17 1	300,000	- -	26,738	- -	273,262	- -
1864 - - - -	425,766	15 5	123,206	17 2	305,000	- -	26,839	- -	278,161	- -
1865 - - - -	441,620	3 9	122,048	12 6	310,000	- -	27,274	- -	282,726	- -
1866 - - - -	449,677	8 3	116,523	4 1	320,000	- -	26,614	- -	293,386	- -
1867 - - - -	432,456	3 7	97,347	15 9	330,000	- -	28,625	- -	301,373	- -
1868 - - - -	449,252	6 10	95,780	10 9	345,000	- -	24,840	- -	320,160	- -

* Down to 1852 the gross expenditure included (1) the office expenses, shown for later years in a separate column: (2) the maintenance of the London parks, &c., and occasionally the cost of buildings, now voted in Supply. The former may be taken at about 20,000*l.* per annum throughout; the latter amounted in 1837–38 to about 60,000*l.* In years prior to 1852, therefore, an addition of about 60,000*l.* should be made to the payments into Exchequer in order to give the net contribution to Revenue.

ACCOUNT IV. (continued).

Year ended—	Gross Income.		Gross Expenditure, including Office Expenses until 1852.		Payments into Exchequer out of Net Income.		Vote for Office Expenses (actual expenditure).		Net Contribution to Revenue, subject to reduction by the Amounts stated in note †.	
31st March—	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.
1869	446,173	14 5	88,206	3 10	360,000	- -	24,336	- -	335,664	- -
1870	447,723	11 4	87,590	10 6	375,000	- -	24,299	- -	350,701	- -
1871	446,151	16 10	80,774	17 10	385,000	- -	23,244	- -	361,756	- -
1872	446,800	15 11	86,597	11 6	375,000	- -	24,277	- -	350,723	- -
1873	458,903	3 4	80,448	7 1	375,000	- -	23,152	- -	351,848	- -
1874	463,241	9 3	78,341	11 7	375,000	- -	22,667	- -	352,333	- -
1875	469,090	17 6	76,145	- 6	385,000	- -	23,619	- -	361,381	- -
1876	479,674	18 1	75,857	14 8	395,000	- -	23,515	- -	371,485	- -
1877	488,294	14 6	83,201	11 4	410,000	- -	24,221	- -	385,779	- -
1878	490,819	15 7	87,088	17 9	410,000	- -	23,149	- -	386,851	- -
1879	489,448	11 9	88,400	11 10	410,000	- -	21,789	- -	388,211	- -
1880	470,216	13 11	83,467	9 5	390,000	- -	22,079	- -	267,921	- -
1881	463,437	14 7	91,185	9 -	390,000	- -	21,914	- -	368,086	- -
1882	473,001	- 6	97,228	5 2	380,000	- -	21,774	- -	358,226	- -
1883	491,101	14 7	97,354	16 11	380,000	- -	22,550	- -	357,450	- -
1884	498,252	14 6	113,784	8 4	380,000	- -	22,800	- -	357,200	- -
1885	483,305	19 1	99,734	19 -	380,000	- -	23,292	- -	356,708	- -
1886	477,820	- 5	103,384	17 4	380,000	- -	22,605	- -	357,395	- -
1887	472,450	6 11	97,123	16 3	370,000	- -	23,015	- -	346,985	- -
1888	507,427	17 5	94,739	5 -	390,000	- -	23,750	- -	366,250	- -
1889	506,828	- 6	91,776	15 -	430,000	- -	24,079	- -	405,921	- -
1890	507,319	7 6	90,079	1 9	430,000	- -	26,386	- -	403,614	-
1891	515,737	3 10	87,121	19 6	430,000	- -	25,152	- -	404,848	- -
1892	526,340	3 4	95,095	12 2	430,000	- -	22,108	- -	407,892	- -
1893	515,596	2 5	94,981	19 9	430,000	- -	21,302	- -	408,698	- -
1894	519,074	3 3	104,624	13 1	420,000	- -	20,625	- -	399,375	- -
1895	518,819	8 6	105,967	1 10	410,000	- -	20,624	- -	389,376	- -
1896	519,067	14 8	103,573	5 2	415,000	- -	19,260	- -	395,740	- -
1897	528,545	3 8	108,142	9 8	415,000	- -	19,532	- -	395,468	- -
1898	552,651	16 8	109,491	12 -	415,000	- -	19,456	- -	395,544	- -
1899	561,515	6 7	111,780	2 -	430,000	- -	20,476	- -	409,524	- -
1900	574,083	12 5	114,375	9 8	450,000	- -	20,308	- -	429,692	- -

† In addition to the sums added in Column 4, being the expenditure from the Vote for the Office of Woods, other expenses fall upon Votes of Parliament in connection with that Department, viz., for pensions, stationery, and printing, office accommodation, and legal expenses in Scotland. These figures cannot be given prior to the year 1878-79; but for that and subsequent years they have been collected by the Comptroller and Auditor-General in connection with his Reports on the Appropriation Accounts, with the following results:

	£.		£.
1878-79	7,498	1889-90	6,801
1879-80	8,206	1890-91	6,916
1880-81	7,352	1891-92	7,606
1881-82	8,253	1892-93	8,341
1882-83	6,677	1893-94	8,716
1883-84	7,868	1894-95	9,872
1884-85	6,264	1895-96	9,839
1885-86	7,458	1896-97	8,091
1886-87	7,986	1897-98	8,816
1887-88	9,039	1898-99	8,741
1888-89	8,555	1899-1900	8,094

The net receipts should, therefore, be reduced by a further sum averaging about 9,000*l.* a year.

ACCOUNT V.

SMALL BRANCHES OF HEREDITARY REVENUE.

CERTAIN small branches of Hereditary Revenue was kept apart from the surrender of Hereditary Revenues by George III. and George IV. in return for the grant of a fixed Civil List. These Revenues consisted of proceeds of intestate estates, sundry fines, small surpluses derived from the Channel Islands, and Droits of Admiralty, &c. They were enjoyed by George III. and George IV. in addition to the Civil List paid to them from the Exchequer. William IV. surrendered these items of Revenue together with the other Hereditary Revenues, and Her late Majesty did the same. They stand, however, in the same position as the Land Revenues, having been only surrendered for the life of the Sovereign.

	Exchequer Receipts.	Less Salary, &c., of Receiver of Hereditary Revenue paid from Votes.	Net Receipts.
Year ended 5th January—	£. s. d.	£. s. d.	£. s. d.
1838 - - - - -	5,067 11 10	—	5,067 11 10
1839 - - - - -	4,575 6 6	—	4,575 6 6
1840 - - - - -	18,601 5 11	—	18,601 5 11
1841 - - - - -	4,519 4 8	—	4,519 4 8
1842 - - - - -	5,562 14 11	—	5,562 14 11
1843 - - - - -	4,277 9 2	—	4,277 9 2
1844 - - - - -	5,440 11 7	—	5,440 11 7
1845 - - - - -	40,697 9 3	—	40,697 9 3
1846 - - - - -	56,104 16 -	—	56,104 16 -
1847 - - - - -	24,047 3 6	—	24,047 3 6
1848 - - - - -	8,187 6 3	—	8,187 6
1849 - - - - -	9,202 8 9	—	9,202 8 9
1850 - - - - -	42,342 7 5	—	42,342 7 5
1851 - - - - -	8,863 6 -	—	8,863 6 -
1852 - - - - -	25,826 6 1	—	25,826 6 1
1853 - - - - -	14,850 16 10	—	14,850 16 10
1854 - - - - -	16,669 13 1	—	16,669 13 1
Quarter to 5th April 1854 - -	1,408 3 8	—	1,408 3 8
Year to 31st March—			
1855 - - - - -	8,902 8 5	—	8,902 8 5
1856 - - - - -	59,664 - 3	—	59,664 - 3
1857 - - - - -	13,760 14 7	—	13,760 14 7
1858 - - - - -	43,522 4 -	—	43,522 4 -
1859 - - - - -	4,480 4 11	—	4,480 4 11
1860 - - - - -	4,743 19 4	—	4,743 19 4
1861 - - - - -	16,420 15 4	—	16,420 15 4
1862 - - - - -	33,580 1 9	—	33,580 1 9
1863 - - - - -	3,955 16 10	—	3,955 16 10
1864 - - - - -	126,631 10 -	—	126,631 10 -

ACCOUNT V. (continued).

Year to 31st March—	Exchequer Receipts.	Less Salary, &c., of Receiver of Hereditary Revenue paid from Votes.	Net Receipts.
	£. s. d.	£. s. d.	£. s. d.
1865 - - - - -	92,027 6 4	—	92,027 6 4
1866 - - - - -	10,300 12 10	—	10,300 12 10
1867 - - - - -	1,534 13 2	—	1,534 13 2
1868 - - - - -	10,697 10 2	—	10,697 10 2
1869 - - - - -	10,581 6 3	—	10,581 6 3
1870 - - - - -	30,358 18 8	899 3 4	29,459 15 4
1871 - - - - -	11,736 4 10	861 13 4	10,874 11 6
1872 - - - - -	25,393 7 5	861 13 4	24,531 14 1
1873 - - - - -	13,079 12 4	861 13 4	12,217 19 -
1874 - - - - -	88,276 8 1	861 13 4	87,414 14 9
1875 - - - - -	48,365 16 11	861 13 4	47,504 3 7
1876 - - - - -	48,557 - 10	438 8 11	48,118 11 11
1877 - - - - -	56,857 3 10	445 - -	56,412 3 10
1878 - - - - -	87,081 18 -	445 - -	86,636 18 -
1879 - - - - -	49,139 14 -	445 - -	48,694 14 -
1880 - - - - -	49,959 13 7	445 - -	49,514 13 7
1881 - - - - -	69,268 2 10	445 - -	68,823 2 10
1882 - - - - -	28,066 1 8	445 - -	27,621 1 8
1883 - - - - -	18,027 10 6	445 - -	17,582 10 6
1884 - - - - -	27,986 - 6	445 - -	27,541 - 6
1885 - - - - -	119,833 16 9	445 - -	119,388 16 9
1886 - - - - -	37,655 4 7	445 - -	37,210 4 7
1887 - - - - -	136,513 15 9	445 - -	136,068 15 9
1888 - - - - -	31,906 6 7	445 - -	31,461 6 7
1889 - - - - -	68,514 3 1	445 - -	68,069 3 1
1890 - - - - -	160,635 1 6	445 - -	160,190 1 6
1891 - - - - -	58,271 6 2	445 - -	57,826 6 2
1892 - - - - -	58,311 16 7	445 - -	57,866 16 7
1893 - - - - -	26,175 13 4	445 - -	25,730 13 4
1894 - - - - -	44,642 8 -	445 - -	44,197 8 -
1895 - - - - -	24,705 - 5	445 - -	24,260 - 5
1896 - - - - -	24,099 17 9	445 - -	23,654 17 9
1897 - - - - -	25,364 19 3	445 - -	24,919 19 3
1898 - - - - -	19,310 15 7	445 - -	18,865 15 7
1899 - - - - -	19,342 6 8	445 - -	18,897 6 8
1900 - - - - -	28,268 7 8	445 - -	27,823 7 8
		Total - - -	2,256,426 - 4
		Average - - -	35,816 5 8

Since 1892, a sum of about 4,000*l.* per annum, derived from fines and forfeitures in Scotland, part of the Hereditary Revenue, has been appropriated in aid of the Vote for Law Charges, &c., Scotland. This falls to be added to the above figures for 1892-93 and subsequent years.

ACCOUNT VI.

PAYMENTS made to Her Majesty the Queen and to His Royal Highness the Prince of Wales, out of the Revenues of the Duchies of Lancaster and Cornwall, during the late Reign.

(1.)—*Payments to Her Majesty the Queen.*

(a) Out of the Revenues of the Duchy of Cornwall, which were paid to Her Majesty from the date of Her Accession until the 9th November, 1841, the date of the Birth of the Prince of Wales.

Period.	Amount.
Year to Michaelmas 1838 - - - - -	£ 2,000
" " 1839 - - - - -	22,000
" " 1840 - - - - -	18,500
" " 1841 - - - - -	16,000
Michaelmas 1841 to November 9, 1841 - - - - -	8,000
Total - - - - -	66,500

(b) Out of the Revenues of the Duchy of Lancaster.

Year.	Amount.	Year.	Amount.
	£.		£.
1838 - - - - -	5,000	1869 - - - - -	31,000
1839 - - - - -	12,000	1870 - - - - -	32,000
1840 - - - - -	12,000	1871 - - - - -	31,000
1841 - - - - -	15,000	1872 - - - - -	40,000
1842 - - - - -	15,000	1873 - - - - -	41,000
1843 - - - - -	13,000	1874 - - - - -	42,000
1844 - - - - -	8,000	1875 - - - - -	41,000
1845 - - - - -	10,000	1876 - - - - -	43,000
1846 - - - - -	15,000	1877 - - - - -	45,000
1847 - - - - -	12,000	1878 - - - - -	44,000
1848 - - - - -	12,000	1879 - - - - -	41,000
1849 - - - - -	9,500	1880 - - - - -	41,000
1850 - - - - -	12,000	1881 - - - - -	43,000
1851 - - - - -	12,000	1882 - - - - -	45,000
1852 - - - - -	15,000	1883 - - - - -	44,000
1853 - - - - -	15,500	1884 - - - - -	45,000
1854 - - - - -	18,000	1885 - - - - -	45,000
1855 - - - - -	20,000	1886 - - - - -	50,000
1856 - - - - -	20,000	1887 - - - - -	50,000
1857 - - - - -	24,000	1888 - - - - -	50,000
1858 - - - - -	27,000	1889 - - - - -	50,000
1859 - - - - -	25,000	1890 - - - - -	50,000
1860 - - - - -	25,000	1891 - - - - -	50,000
1861 - - - - -	10,000	1892 - - - - -	48,000
1862 - - - - -	22,000	1893 - - - - -	48,000
1863 - - - - -	37,000	1894 - - - - -	48,000
1864 - - - - -	26,000	1895 - - - - -	48,000
1865 - - - - -	26,000	1896 - - - - -	60,000
1866 - - - - -	29,000	1897 - - - - -	60,000
1867 - - - - -	29,000	1898 - - - - -	60,000
1868 - - - - -	28,500	1899 - - - - -	60,000

The Revenues of the Duchy of Lancaster will be paid to the present Sovereign.

ACCOUNT VI. (continued).

(2.) - *Payments to His Royal Highness the Prince of Wales.*

Out of the Revenues of the Duchy of Cornwall.

Year.	Amount.	Year.	Amount.
	£. s. d.		£. s. d.
1842*	20,100 - -	1871	63,484 11 4
1843 -	18,579 7 6	1872 -	62,348 16 11
1844 -	22,877 10	1873 -	62,515 1 11
1845 -	11,035 -	1874 -	63,901 7 2
1846 -	12,032 10 -	1875 -	67,141 11 11
1847 -	41,728 2 6	1876 -	70,375 2 8
1848 -	7,376 5 -	1877 -	69,339 8
1849 -	20,557 10 -	1878 -	65,831 14 8
1850 -	38,675 8 -	1879 -	65,258 13 2
1851 -	40,303 11 6	1880 -	54,950 12 9
1852 -	39,052 - -	1881 -	59,079 7
1853 -	37,225 - -	1882 -	63,870 8 8
1854 -	39,225 - -	1883 -	63,167 8 8
1855 -	43,231 10 -	1884 -	64,641 9 9
1856 -	43,340 - -	1885 -	57,601 11
1857 -	39,112 10 -	1886 -	60,563 3 3
1858 -	40,657 - -	1887 -	60,290 15 3
1859 -	40,785 - -	1888 -	61,971 1 6
1860 -	45,073 7 4	1889 -	63,593 5 4
1861 -	32,139 18 11	1890 -	64,523 9 4
1862 -	52,130 - -	1891 -	63,848 3 1
1863 -	46,000 - -	1892 -	60,088 8 3
1864 -	50,000 - -	1893 -	57,085 18 1
1865 -	51,331 11 2	1894 -	57,733 14 6
1866 -	53,403 11 9	1895 -	55,073 16 -
1867 -	54,927 9 11	1896 -	55,671 4 11
1868 -	55,252 2 1	1897 -	58,118 11 8
1869 -	63,587 4 -	1898 -	61,242 19 6
1870 -	62,574 4 6	1899 -	66,915 6 4

* Including the period from 9th November 1841 to 31st December 1841.
The Revenues of the Duchy of Cornwall will be paid to the present Duke.

ACCOUNT VII.

AN ESTIMATE of the Future Annual Charge in respect of the Civil List of His Majesty.

FIRST CLASS :		£.
Their Majesties' Privy Purse	- - - - -	110,000
SECOND CLASS :		
Salaries of His Majesty's Household and Retired Allowances	- - - - -	128,000
THIRD CLASS :		
Expenses of His Majesty's Household	- - - - -	194,000
FOURTH CLASS :		
Works	- - - - -	20,000
FIFTH CLASS :		
Royal Bounty, Alms, and Special Services	- - - - -	13,000
SIXTH CLASS :		
Unappropriated	- - - - -	4,800
TOTAL		£. 470,000

Note.—It is proposed to charge on the Consolidated Fund the pensions, &c. granted, or to be granted, to members of Her late Majesty's Household, to an amount not exceeding 25,000*l.* per annum.

ACCOUNT VII. (continued).

APPENDIX A.

COMPARISON with Civil List of Her late Majesty.

	Civil List of Her late Majesty as fixed in 1837.	Proposed Civil List of His Majesty.
FIRST CLASS :	£.	£.
Their Majesties' Privy Purse - - - - -	60,000	110,000
SECOND CLASS :		
The King's Personal Staff - - - - -	--	10,500
The Lord Steward's Department - - - - -	36,381	29,000
The Lord Chamberlain's Department - - - - -	66,499	59,500
The Master of the Horse's Department - - - - -	27,650	29,000
<i>The Mistress of the Robes' Department</i> - - - - -	730	--
TOTAL, CLASS II - - - £.	131,260	128,000
THIRD CLASS :		
The Lord Steward's Department - - - - -	86,000	106,000
The Lord Chamberlain's Department - - - - -	42,000	43,000
The Master of the Horse's Department - - - - -	39,500	45,000
<i>The Mistress of the Robes' Department</i> - - - - -	5,000	--
TOTAL, CLASS III. - - - £.	172,500	194,000
FOURTH CLASS :		
Works transferred from the Lord Steward - - -	--	3,000
Works transferred from the Lord Chamberlain - - -	--	7,000
Works transferred from the Vote for Royal Palaces - - -	--	10,000
TOTAL, CLASS IV. - - - £.	--	20,000
FIFTH CLASS :		
Royal Bounty and Special Service - - - - -	9,000	9,000
Alms and Charities - - - - -	4,200	4,200
TOTAL, CLASS V. - - - £.	13,200	13,200
Unappropriated Money - - - - -	£,040	8,040

ACCOUNT VII. (continued).

APPENDIX B.

DETAILS OF CLASS II.

		£.
1. THE KING'S PERSONAL STAFF : -		
Private Secretary, Keeper of the Privy Purse, Secretary, Clerks, &c.	- -	9,500
Add, --For prospective Non-Effective Charge (say)	- -	1,000
		£. 10,500

	Charge on 1st January 1900.	Proposed Future Establishment.
2. THE LORD STEWARD'S DEPARTMENT :--		
	£.	£.
Lord Steward - - - - -	2,000	2,000
Treasurer - - - - -	904	700
Comptroller - - - - -	904	700
Master of the Household - - - - -	1,158	1,158
Secretary to the Board of Green Cloth - - - - -	1,000	1,000
Clerks, Mtssengers, &c., in the Lord Steward's Office - - - - -	1,139	1,130
Paymaster of the Household - - - - -	1,000	1,000
Domestic Servants - - - - -	13,852	13,365
Marshalmen - - - - -	840	840
Ecclesiastical Salaries and Allowances - - - - -	4,601	4,665
Non-Effective Charge - - - - -	4,331	--
TOTAL, Lord Steward's Department - - £.	31,729	26,558

	£.
Future Effective Charge, as above - - - - -	26,558
Add, --For prospective Non-Effective Charge (say) - - -	2,442
TOTAL (say) - - - £.	29,000

ACCOUNT VII. (continued).

Appendix B.

	Charge on 1st January 1900.	Proposed Future Establishment.
3. THE LORD CHAMBERLAIN'S DEPARTMENT :—	£.	£.
Lord Chamberlain - - - - -	2,000	2,000
Vice-Chamberlain - - - - -	900	700
Comptroller, Lord Chamberlain's Office - - - - -	1,000	1,500*
Clerks and Messengers, Lord Chamberlain's Office - - - - -	2,346	2,440
Messengers to the King (4) - - - - -	1,180	800
Lords-in-Waiting (8, to be reduced to 6) - - - - -	5,602	3,600
Grooms-in-Waiting (7, to be reduced to 6) - - - - -	2,772	1,800
The Queen's Household - - - - -	9,100	7,190
Master of the Ceremonies, Assistant, and Marshal - - - - -	1,027	1,030
Gentlemen Ushers and Grooms of the Chamber, Pages, &c. (55, to be reduced to 36) - - - - -	7,673	4,746
Inspectors (3) - - - - -	600	750
Housekeepers (5) - - - - -	1,379	493
Tapissiers - - - - -	730	530
Housemaids, &c. - - - - -	2,441	2,236
Officers of the Garter and other Orders - - - - -	1,273	1,273
Medical Staff - - - - -	1,598	1,400
Examiner of Plays - - - - -	300	300
Poet Laureate - - - - -	70	70
Reader at Windsor Castle - - - - -	200	—
Librarian, Windsor, and Assistants - - - - -	808	808
Principal Painter - - - - -	39	—
Surveyor of Pictures - - - - -	250	200
King's Band, &c. - - - - -	2,100	2,100
Ecclesiastical Officers - - - - -	1,521	1,354
Governor, Windsor Castle - - - - -	1,100	—
Bargemaster, Watermen, Caretakers, &c. - - - - -	394	110
Gamekeepers at Richmond - - - - -	164	—
Gentlemen at Arms—Captain - - - - -	1,200	1,000
Officers - - - - -	813	800
Men - - - - -	2,730	2,720
Yeomen of the Guard—Captain - - - - -	1,200	1,000
Officers - - - - -	1,237	1,200
Men - - - - -	5,150	5,150
TOTAL, Effective Charge - - - £.	60,897	49,300
Non-Effective - - - £	3,397	—
TOTAL, Lord Chamberlain's Department - - - £.	64,294	49,300
Future ultimate effective charge, as above - - - - -		49,300
<i>Add, —</i>		
For prospective non-effective charge, and for redundant salaries during reduction (say) - - - - -		10,200
TOTAL (say) - - - £.		59,500

* Addition in lieu of official residence required for office accommodation.

Note.—The reductions in numbers and salaries will be effected as vacancies or other opportunities occur.

ACCOUNT VII. (continued).

Appendix B.

	Charge on 1st January 1900.	Proposed Future Establishment.
4. THE MASTER OF THE HORSE'S DEPARTMENT :—	£.	£.
Master of the Horse - - - - -	2,500	2,000
Master of the Buckhounds - - - - -	1,500	1,500
Equerries and Pages of Honour (13, to be reduced to 12)	6,220	5,720
Accountant, Superintendents, Clerks, and Messenger (7)	1,355	1,800
Coachmen, &c. (37) - - - - -	3,085	3,890
Footmen, &c. (34) - - - - -	2,360	2,360
Weekly Helpers' wages (1,000 <i>l.</i> transferred from Class III.) - - - - -	7,891	8,200
Hunt salaries and wages (555 <i>l.</i> transferred from Class III.) - - - - -	1,300	1,300
<i>Non-Effective</i> - - - - -	4,121	—
TOTAL, Master of the Horse's Department - £.	30,332	26,860

	£.
Future effective charge, as above - - - - -	26,860
<i>Add—</i>	
For prospective non-effective charge (say) - - - - -	2,140
TOTAL (say) - - - £.	29,000

Treasury,
11th March 1901.

AUSTEN CHAMBERLAIN.

ACCOUNTS RELATING TO THE CIVIL LIST SUBSEQUENTLY SUBMITTED.

ACCOUNT VIII.

PALACES IN PERSONAL OCCUPATION OF THE SOVEREIGN.

ANNUAL EXPENDITURE.

	1899-1900. (Actual).			1900-1901. (Approximate).			1901-1902. (Estimate).		
	Works.	Main- tenance.	Total.	Works.	Main- tenance.	Total.	Works.	Main- tenance.	Total.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
Buckingham Palace - - -	3,575	1,300	4,875	3,350	1,520	4,870	1,650	2,370	4,020
Royal Mews, Pimlico - - -	825	1,880	2,705	810	1,850	2,660	810	2,410	3,220
Windsor Castle - - - -	3,500	4,650	8,150	3,240	4,810	8,050	1,525	6,130	7,655
Windsor Home Park, with Ade- laide Lodge, &c. - - - -	100	620	720	100	1,000	1,100	230	870	1,100
Windsor Royal Kitchen Gardens	300	1,160	1,460	500	1,160	1,660	100	1,210	1,310
Frogmore House and Grounds -	100	600	700	100	600	700	100	680	780
TOTAL - - - £.	8,400	10,210	18,610	8,100	10,940	19,040	4,415	13,670	18,085

Average, *per annum*, 18,578*l.*

This includes external as well as internal works, also gardens, grounds, &c., but about two-thirds of the total, or 12,000*l.*, may be taken to represent internal works paid for out of Votes of Parliament.

This is the sum in lieu of which it is proposed to provide 10,000*l.* per annum in the new Civil List, the estimate for Royal Palaces being reduced by a corresponding sum. A smaller sum is taken than the average expenditure of recent years, because the latter was swollen by the cost of introducing electric light, which will not recur.

Office of Works,
6 March 1901.

ACCOUNT IX.

ROYAL YACHTS.

STATEMENT showing cost of each of the Four Royal Yachts for the past Ten Years.

	Victoria and Albert.	Osborne.	Alberta.	Elfin.	TOTAL.
	£.	£.	£.	£.	£.
1890-91 - - - - -	4,169	2,043	3,594	678	10,484
1891-92 - - - - -	4,147	9,943	1,084	1,539	16,713
1892-93 - - - - -	4,557	18,374	1,522	652	25,105
1893-94 - - - - -	4,941	4,310	3,195	530	12,976
1894-95 - - - - -	5,470	4,036	4,162	691	14,359
1895-96 - - - - -	7,456	3,905	1,664	474	13,499
1896-97 - - - - -	6,223	6,195	1,971	1,097	15,486
1897-98 - - - - -	8,805	6,742	2,045	1,088	18,680
1898-99 - - - - -	5,095	9,077	2,305	1,090	17,567
1899-1900 - - - - -	5,211	12,722	2,671	3,208	23,812
TOTAL - - - £.	56,074	77,347	24,213	11,047	168,681

Note.—The cost of coals is not included until 1896-97, as it was not charged to specific ships until that year.

It is intended to discontinue the "Alberta" and "Elfin" as Royal Yachts.

ACCOUNT X.

PENSIONS &c., TO MEMBERS OF THE LATE QUEEN'S HOUSEHOLD.

PARTICULARS of the Proposed Charge on the Consolidated Fund not exceeding 25,000*l.* per annum.

	£.
Non-Effective Charge on Class II. of the Civil List on 22nd January 1901, 11,954 <i>l.</i> 9 <i>s.</i> —say - - - - -	12,000
Ladies of Queen Victoria's Household: Total Amount of Proposed Pensions - -	2,600
Gentlemen of Queen Victoria's Household: Total Amount of Proposed Pensions -	6,150
Provision for Pensions to Servants on Queen Victoria's Establishment whom it will be found necessary to retire immediately; the Pensions to be calculated at the ordinary rates applicable to Her late Majesty's Establishment - - -	4,250
TOTAL - - - £.	25,000

ACCOUNT XI.

NEW CIVIL LIST.

Cost to the PUBLIC of the proposed Arrangements as compared with those in the Late Reign.

I.—UNDER THE LATE REIGN.

A.—THE SOVEREIGN AND HEIR APPARENT :		£.
1. Civil List - - - - -	- - - - -	385,000
2. Prince of Wales - - - - -	- - - - -	40,000
3. Princess of Wales - - - - -	- - - - -	10,000
4. Prince of Wales' Children - - - - -	- - - - -	36,000
		471,000
5. Internal works at Buckingham Palace and Windsor Castle borne on Vote for Royal Palace - - - - -	- - - - -	10,000
		£. 481,000
B.—OTHER CHARGES CONNECTED WITH THE MONARCHY :		£.
1. Dowager German Empress - - - - -	- - - - -	8,000
2. Duke of Connaught - - - - -	- - - - -	25,000
3. Three younger Daughters of Queen Victoria (6,000 <i>l.</i> each) - - -	- - -	18,000
4. Duchess of Albany - - - - -	- - - - -	6,000
5. Duke of Cambridge - - - - -	- - - - -	12,000
6. Duchess of Mecklenburg - - - - -	- - - - -	3,000
		72,000
		£. 553,000

II.—UNDER THE PRESENT REIGN.

A.—THE SOVEREIGN AND HEIR APPARENT :		
1. Civil List (including transfer of 10,000 <i>l.</i> from Works Vote) - - - - -	- - - - -	470,000
2. Pensions to members of Queen Victoria's Household - - - - -	- - - - -	25,000
3. Sundry small charges removed from Civil List - - - - -	- - - - -	5,000
		£. 500,000
4. Duke of Cornwall - - - - -	- - - - -	20,000
5. Duchess of Cornwall - - - - -	- - - - -	10,000
		30,000
		530,000
B.—OTHER CHARGES CONNECTED WITH THE MONARCHY :		
1. Provision for the King's Daughters at the rate of 6,000 <i>l.</i> each - - -	- - -	18,000
2. Same as in No. 1 (B.) - - - - -	- - - - -	72,000
		90,000
		620,000
As compared with - - - - -		553,000
NET INCREASE - - - - -		£. 67,000

STATEMENT RELATING TO ROYAL BOUNTY AND SPECIAL SERVICE.

(A) HISTORY.

THE Royal Bounty and Special Service Fund represents two accounts which were amalgamated under that double name many years ago. Its amount was fixed at 9,000*l.* in 1831, having previously been considerably larger.

The term "*Royal Bounty*" sufficiently explains the purpose to which the Fund is principally applied. Two principles were laid down for its application : firstly, that no one person should receive a grant more than once in three years ; and, secondly, that no applicants should be relieved by the Royal Bounty except "in their distress or for their desert." These two rules, Distress or Desert, have been gradually tightened, and now both Distress and Desert are required.

The term "*Special Service*" has never been precisely defined. Originally the Fund seems to have been used as a miscellaneous account, like the "Civil Contingencies Fund." For instance, a great excess in 1802 was largely due to expenditure "to make up deficiency of fees towards the salaries of different Offices," and to the cost of "presents to Ministers of Foreign Courts on signing treaties, &c., and presents to the Barbary States. By current practice the use of Special Service is restricted to incidental expenditure of a quasi-public nature but not suitable to be borne on the Votes, and to the endowment of research.

Originally, grants from the Royal Bounty and Special Service Fund seem to have been made by the King personally ; but by the close of the eighteenth century the administration of the Fund was specially committed to the First Lord of the Treasury, though the method of payment by Royal Warrant was continued till 1810 in the case of Royal Bounty, and till 1831 in the case of Special Service.

(B) ADMINISTRATION.

The only standing regulation affecting the employment of the Fund is that Royal Bounty shall not be given to the same recipient at intervals of less than three years. In other respects the management of the Fund is regulated by official traditions alone.

(1.) *Royal Bounty.*

On its charitable side the Fund is administered on principles similar to those regulating the award of Civil List Pensions, but with a greater elasticity. Those principles are Distress and Desert combined.

The *Distress* has to be carefully investigated on behalf of the First Lord ; and yearly grants to the Charity Organisation Society and the Anti-Mendicity Society enable him to refer to those institutions whenever he desires. In estimating Distress, special regard is paid to the opinion expressed by the Civil List Pensions Committee in 1838, that "where close relationship exists, and where means of support may be afforded, it is to family connections and not to the public purse that application for relief should be made."

The qualification of *Desert* depends, not merely on the applicants' respectability, but also on proof of services rendered by him or his relatives to :—(1) The Sovereign personally ; (2) the State ; (3) Science ; (4) Literature ; (5) the Arts ; these being the statutory requirements in the analogous case of Civil List Pensions.

Claims depending on services rendered by the applicant himself are given the priority over those based on the services of a relative, and in the latter class of cases the degree of relationship is an important factor.

Of the many headings under which "*Desert*" can be claimed, the most vague is perhaps that of services to the State. Under this pretext attempts are sometimes made to convert the Fund into a benevolent fund for the widows and orphans of Civil Servants, or for such relatives of soldiers or sailors as are not entitled to pensions. But it was never intended, and would be altogether insufficient for such purposes, and its use has to be jealously restricted to cases of exceptional merit or exceptional hardship only. To meet ordinary cases there exists a Civil Service Benevolent Fund, under voluntary management, and the War Office and Admiralty have compassionate funds of their own.

The three years' rule has always been strictly observed, and second and third grants are not made except in special cases. Difficulties have arisen from the gift of *unconditional doles*, without any restriction as to their expenditure, or any warning that they were not likely to be repeated ; and to avoid the bad results of such a system, it is now the practice to refuse such unconditional doles in every case except where the expectation of life is very short, or where the distress is only likely to be *temporary* ; and even in such cases the money is usually placed in the hands, not of the applicant, but of some responsible trustee, who will see that it is properly expended.

In cases of *chronic* poverty it is the practice :—

1. Wherever possible, to insist on some contribution being forthcoming from outside sources, *e.g.*, (a) from the signatories to the memorial appealing for assistance ; or (b) from local subscribers, in cases where the applicant has done good local work ; or (c) from charitable funds, such as the Royal Literary Fund or the Royal Society's Benevolent Fund.

2. To make a Royal Bounty grant in augmentation of such outside fund on the strict understanding that the combined amount is used for providing the recipient with some *permanent* means of support, preferably a life annuity.

3. In cases where no outside support is forthcoming, and where a large enough grant from Royal Bounty is justifiable, to pay the sum over to the Post Office Savings Bank for the purchase of a life annuity for the applicant.

4. Or if the amount that can be granted is insufficient to buy a life annuity worth having, to place it in the hands of some trustworthy almoner for some special purpose, such as the education of the applicant's children.

(11.) *Special Service.*

Under this heading the Fund is now and again used for certain occasional and exceptional calls upon the Civil List of a public or semi-public nature, such as Royal Marriages and Funerals or semi-political visits of Foreign Sovereigns.

Of late years also the practice has been started of utilising the Fund directly or indirectly for the endowment of research. For instance, in 1894, 200*l.* was given to the British School at Athens ; in 1895, 550*l.* towards the cost of the International Geographical Congress ; in 1896, 600*l.* to the English Dialect Dictionary ; in 1898, 250*l.* to the International Zoological Congress ; in 1899, 500*l.* to the Lake Tanganyika Exploration Expedition, and 500*l.* towards a special scientific investigation.

REPORT
FROM THE
SELECT COMMITTEE
ON THE
CIVIL LIST;
WITH THE
PROCEEDINGS OF THE COMMITTEE,
AND AN APPENDIX.

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